WOMEN'S BUSINESS CENTERS SUSTAINABILITY ACT OF 1999

KERRY (AND BOND) AMENDMENT NO. 2543

Mr. DOMENICI (for Mr. KERRY (for himself and Mr. DOMENICI)) proposed an amendment to the bill (S. 791) to amend the Small Business Act with respect to the women's busines center program; as follows:

Strike section 4 and insert the following:

SEC. 4. WOMEN'S BUSINESS CENTERS SUSTAINABILITY PILOT PROGRAM.

(a) IN GENERAL.—Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following:

''(*l*) SUSTAINABILITY PILOT PROGRAM.—

''(1) IN GENERAL.—There is established a 4-year pilot program under which the Administration is authorized to award grants (referred to in this section as 'sustainability grants') on a competitive basis for an additional 5-year project under this section to any private nonprofit organization (or a division thereof)—

''(A) that has received financial assistance under this section pursuant to a grant, contract, or cooperative agreement; and

''(B) that—

''(i) is in the final year of a 5-year project; or

''(ii) has completed a project financed under this section (or any predecessor to this section) and continues to provide assistance to women entrepreneurs.

''(2) CONDITIONS FOR PARTICIPATION.—In order to receive a sustainability grant, an organization described in paragraph (1) shall submit to the Administration an application, which shall include—

''(A) a certification that the applicant—

''(i) is a private nonprofit organization;

''(ii) employs a full-time executive director or program manager to manage the center; and

''(iii) as a condition of receiving a sustainability grant, agrees—

''(I) to a site visit as part of the final selection process and to an annual programmatic and financial examination; and

''(II) to the maximum extent practicable, to remedy any problems identified pursuant to that site visit or examination;

''(B) information demonstrating that the applicant has the ability and resources to meet the needs of the market to be served by the women's business center site for which a sustainability grant is sought, including the ability to fundraise;

''(C) information relating to assistance provided by the women's business center site for which a sustainability grant is sought in the area in which the site is located, including—

''(i) the number of individuals assisted;

''(ii) the number of hours of counseling, training, and workshops provided; and

''(iii) the number of startup business concerns formed;

''(D) information demonstrating the effective experience of the applicant in—

''(i) conducting financial, management, and marketing assistance programs, as described in paragraphs (1), (2), and (3) of subsection (b), designed to impart or upgrade the business skills of women business owners or potential owners;

''(ii) providing training and services to a representative number of women who are both socially and economically disadvantaged;

''(iii) using resource partners of the Administration and other entities, such as universities;

''(iv) complying with the cooperative agreement of the applicant; and

''(v) the prudent management of finances and staffing, including the manner in which the performance of the applicant compared to the business plan of the applicant and the manner in which grant funds awarded under subsection (b) were used by the applicant; and

''(E) a 5-year plan that projects the ability of the women's business center site for which a sustainability grant is sought—

''(i) to serve women business owners or potential owners in the future by improving fundraising and training activities; and

''(ii) to provide training and services to a representative number of women who are both socially and economically disadvantaged.

''(3) REVIEW OF APPLICATIONS.—

''(A) IN GENERAL.—The Administration shall—

''(i) review each application submitted under paragraph (2) based on the information provided under in subparagraphs (D) and (E) of that paragraph, and the criteria set forth in subsection (f);

''(ii) as part of the final selection process, conduct a site visit at each women's business center for which a sustainability grant is sought; and

''(iii) approve or disapprove applications for sustainability grants simultaneously with applications for grants under subsection (b).

''(B) DATA COLLECTION.—Consistent with the annual report to Congress under subsection (j), each women's business center site that is awarded a sustainability grant shall, to the maximum extent practicable, collect information relating to—

''(i) the number of individuals assisted;

''(ii) the number of hours of counseling and training provided and workshops conducted;

''(iii) the number of startup business concerns formed;

''(iv) any available gross receipts of assisted concerns; and

''(v) the number of jobs created, maintained, or lost at assisted concerns.

''(C) RECORD RETENTION.—The Administration shall maintain a copy of each application submitted under this subsection for not less than 10 years.

''(4) NON-FEDERAL CONTRIBUTION.—

''(A) IN GENERAL.—Notwithstanding any other provision of this section, as a condition of receiving a sustainability grant, an organization described in paragraph (1) shall agree to obtain, after its application has been approved under paragraph (3) and notice of award has been issued, cash and in-kind contributions from non-Federal sources for each year of additional program participation in an amount equal to 1 non-Federal dollar for each Federal dollar.

''(B) FORM OF NON-FEDERAL CONTRIBUTIONS.—Not more than 50 percent of the non-Federal assistance obtained for purposes of subparagraph (A) may be in the form of in-kind contributions that are budget line items only, including office equipment and office space.

''(5) TIMING OF REQUESTS FOR PROPOSALS.—In carrying out this subsection, the Administration shall issue requests for proposals for women's business centers applying for the pilot program under this subsection simultaneously with requests for proposals for grants under subsection (b).''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 29(k) of the Small Business Act (15 U.S.C. 656(k)) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—There is authorized to be appropriated, to remain available until the expiration of the pilot program under subsection (*l*)—

''(A) $12,000,000 for fiscal year 2000;

''(B) $12,800,000 for fiscal year 2001;

''(C) $13,700,000 for fiscal year 2002; and

''(D) $14,500,000 for fiscal year 2003.'';

(2) in paragraph (2)—

(A) by striking ''Amounts made'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), amounts made''; and

(B) by adding at the end the following:

''(B) EXCEPTIONS.—Of the amount made available under this subsection for a fiscal year, the following amounts shall be available for selection panel costs, post-award conference costs, and costs related to monitoring and oversight:

''(i) For fiscal year 2000, 2 percent.

''(ii) For fiscal year 2001, 1.9 percent.

''(iii) For fiscal year 2002, 1.9 percent.

''(iv) For fiscal year 2003, 1.6 percent.''; and

(3) by adding at the end the following:

''(4) RESERVATION OF FUNDS FOR SUSTAINABILITY PILOT PROGRAM.—

''(A) IN GENERAL.—Subject to subparagraph (B), of the total amount made available under this subsection for a fiscal year, the following amounts shall be reserved for sustainability grants under subsection (*l*):

''(i) For fiscal year 2000, 17 percent.

''(ii) For fiscal year 2001, 18.8 percent.

''(iii) For fiscal year 2002, 30.2 percent.

''(iv) For fiscal year 2003, 30.2 percent.

''(B) USE OF UNAWARDED FUNDS FOR SUSTAINABILITY PILOT PROGRAM GRANTS.—If the amount reserved under subparagraph (A) for any fiscal year is not fully awarded to private nonprofit organizations described in subsection (*l*)(1)(B), the Administration is authorized to use the unawarded amount to fund additional women's business center sites or to increase funding of existing women's business center sites under subsection (b).''.

(c) GUIDELINES.—Not later than 30 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue guidelines to implement the amendments made by this section.

INDEPENDENT OFFICE OF ADVOCACY ACT

BOND AMENDMENT NO. 2544

Mr. DOMENICI (for Mr. BOND) proposed an amendment to the bill (S. 1346) to ensure the independence and nonpartisan operation of the Office of Advocacy of the Small Business Administration; as follows:

On page 12, line 12, insert after ''Representatives'' the following: '', the Committee on Governmental Affairs of the Senate, the Committee on Government Reform of the House of Representatives, and the Committees on the Judiciary of the Senate and the House of Representatives''.

THE BANKRUPTCY REFORM ACT OF 1999

COVERDELL (AND OTHERS) AMENDMENT NO. 2545

(Ordered to lie on the table.)

Mr. COVERDELL (for himself, Mr. SARBANES, Mr. BIDEN, Mr. MACK, Mr. EDWARDS, Mr. GRAHAM, and Mr. CLELAND) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. BANKRUPTCY JUDGESHIPS.

(a) TEMPORARY JUDGESHIPS.—The following judgeship positions shall be filled in the manner prescribed in section 152(a)(1) of title 28, United States Code, for the appointment of bankruptcy judges provided for in section 152(a)(2) of such title:

(1) One additional bankruptcy judgeship for the district of Delaware.

(2) One additional bankruptcy judgeship for the southern district of Florida.

(3) One additional bankruptcy judgeship for the southern district of Georgia.

(4) One additional bankruptcy judgeship for the district of Maryland.

(5) One additional bankruptcy judgeship for the eastern district of North Carolina.

(6) One additional bankruptcy judgeship for the district of Puerto Rico.

(b) VACANCIES.—The first vacancy occurring in the office of a bankruptcy judge in each of the judicial districts set forth in subsection (a) shall not be filled if the vacancy—

(1) results from the death, retirement, resignation, or removal of a bankruptcy judge; or

(2) occurs 5 years or more after the appointment date of a bankruptcy judge appointed under subsection (a).

BENNETT AMENDMENT NO. 2546

(Ordered to lie on the table.)

Mr. BENNETT submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the end of the bill, add the following:

TITLE XIII—FINANCIAL INSTITUTIONS INSOLVENCY IMPROVEMENT

SEC 1301. SHORT TITLE.

This title may be cited as the ''Financial Institutions Insolvency Improvement Act of 1999''.

SEC. 1302. TREATMENT OF CERTAIN AGREEMENTS BY CONSERVATORS OR RECEIVERS OF INSURED DEPOSITORY INSTITUTIONS.

(a) DEFINITION OF QUALIFIED FINANCIAL CONTRACT.—Section 11(e)(8)(D)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(i)) is amended by inserting '', resolution, or order'' after ''any similar agreement that the Corporation determines by regulation''.

(b) DEFINITION OF SECURITIES CONTRACT.—Section 11(e)(8)(D)(ii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(ii)) is amended to read as follows:

''(ii) SECURITIES CONTRACT.—The term 'securities contract'—

''(I) means a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan, or any interest in a mortgage loan, a group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or any option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, loan, interest, group or index, or option;

''(II) does not include any purchase, sale, or repurchase obligation under a participation in a commercial mortgage loan unless the Corporation determines by regulation, resolution, or order to include any such agreement within the meaning of such term;

''(III) means any option entered into on a national securities exchange relating to foreign currencies;

''(IV) means the guarantee by or to any securities clearing agency of any settlement of cash, securities, certificates of deposit, mortgage loans or interests therein, group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, loan, interest, group or index or option;

''(V) means any margin loan;

''(VI) means any other agreement or transaction that is similar to any agreement or transaction referred to in this clause (other than subclause (II));

''(VII) means any combination of the agreements or transactions referred to in this clause (other than subclause (II));

''(VIII) means any option to enter into any agreement or transaction referred to in this clause (other than subclause (II));

''(IX) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a securities contract under this clause, except that the master agreement shall be considered to be a securities contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII); and

''(X) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause (other than subclause (II)).''.

(c) DEFINITION OF COMMODITY CONTRACT.—Section 11(e)(8)(D)(iii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(iii)) is amended to read as follows:

''(iii) COMMODITY CONTRACT.—The term 'commodity contract' means—

''(I) with respect to a futures commission merchant, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade;

''(II) with respect to a foreign futures commission merchant, a foreign future;

''(III) with respect to a leverage transaction merchant, a leverage transaction;

''(IV) with respect to a clearing organization, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization, or commodity option traded on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization;

''(V) with respect to a commodity options dealer, a commodity option;

''(VI) any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;

''(VII) any combination of the agreements or transactions referred to in this clause;

''(VIII) any option to enter into any agreement or transaction referred to in this clause;

''(IX) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a commodity contract under this clause, except that the master agreement shall be considered to be a commodity contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII); or

''(X) a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause.''.

(d) DEFINITION OF FORWARD CONTRACT.—Section 11(e)(8)(D)(iv) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(iv)) is amended to read as follows:

''(iv) FORWARD CONTRACT.—The term 'forward contract' means—

''(I) a contract (other than a commodity contract) for the purchase, sale, or transfer of a commodity or any similar good, article, service, right, or interest which is presently or in the future becomes the subject of dealing in the forward contract trade, or product or byproduct thereof, with a maturity date that is more than 2 days after the date on which the contract is entered into, including a repurchase agreement, reverse repurchase agreement, consignment, lease, swap, hedge transaction, deposit, loan, option, allocated transaction, unallocated transaction, or any other similar agreement;

''(II) any combination of agreements or transactions referred to in subclauses (I) and (III);

''(III) any option to enter into any agreement or transaction referred to in subclause (I) or (II);

''(IV) a master agreement that provides for an agreement or transaction referred to in subclauses (I), (II), or (III), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a forward contract under this clause, except that the master agreement shall be considered to be a forward contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), or (III); or

''(V) a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (II), (III), or (IV).''.

(e) DEFINITION OF REPURCHASE AGREEMENT AND REVERSE REPURCHASE AGREEMENT.—Section 11(e)(8)(D)(v) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(v)) is amended to read as follows:

''(v) REPURCHASE AGREEMENT; REVERSE REPURCHASE AGREEMENT.—The terms 'repurchase agreement' and 'reverse repurchase agreement'—

''(I) mean an agreement, including related terms, which provides for the transfer of 1 or more certificates of deposit, mortgage-related securities (as such term is defined in the Securities Exchange Act of 1934), mortgage loans, interests in mortgage-related securities or mortgage loans, eligible bankers' acceptances, qualified foreign government securities or securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States against the transfer of funds by the transferee of such certificates of deposit, eligible bankers' acceptances, securities, loans, or interests with a simultaneous agreement by such transferee to transfer to the transferor thereof certificates of deposit, eligible bankers' acceptances, securities, loans, or interests as described in this subclause, at a date certain that is not later than 1 year after the date of such transfers or on demand, against the transfer of funds, or any other similar agreement;

''(II) does not include any repurchase obligation under a participation in a commercial mortgage loan unless the Corporation determines by regulation, resolution, or order to include any such participation within the meaning of such term;

''(III) means any combination of agreements or transactions referred to in subclauses (I) and (IV);

''(IV) means any option to enter into any agreement or transaction referred to in subclause (I) or (III);

''(V) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a repurchase agreement under this clause, except that the master agreement shall be considered to be a repurchase agreement under this subclause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), or (IV); and

''(VI) means a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (III), (IV), or (V).

For purposes of this clause, the term 'qualified foreign government security' means a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Cooperation and Development (as determined by regulation or order adopted by the appropriate Federal banking authority).''.

(f) DEFINITION OF SWAP AGREEMENT.—The Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(vi)) is amended to read as follows:

''(vi) SWAP AGREEMENT.—The term 'swap agreement'—

''(I) means any agreement, including the terms and conditions incorporated by reference in any such agreement, that is—

''(aa) an interest rate swap, option, future, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap;

''(bb) a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange or precious metals agreement;

''(cc) a currency swap, option, future, or forward agreement;

''(dd) an equity index or equity swap, option, future, or forward agreement;

''(ee) a debt index or debt swap, option, future, or forward agreement;

''(ff) a credit spread or credit swap, option, future, or forward agreement; or

''(gg) a commodity index or commodity swap, option, future, or forward agreement;

''(II) means any agreement or transaction that is similar to any other agreement or transaction referred to in this clause, that is presently, or in the future becomes, regularly entered into in the swap market (including terms and conditions incorporated by reference in such agreement), and that is a forward, swap, future, or option on 1 or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, or economic indices or measures of economic risk or value;

''(III) means any combination of agreements or transactions referred to in this clause;

''(IV) means any option to enter into any agreement or transaction referred to in this clause;

''(V) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement contains an agreement or transaction that is not a swap agreement under this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), or (IV);

''(VI) means any security agreement or arrangement or other credit enhancement related to any agreements or transactions referred to in subparagraph (I), (II), (III), or (IV); and

''(VII) is applicable for purposes of this Act only, and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any swap agreement under any other statute, regulation, or rule, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, and the regulations promulgated by the Securities and Exchange Commission or the Commodity Futures Trading Commission.''.

(g) DEFINITION OF TRANSFER.—Section 11(e)(8)(D)(viii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(viii)) is amended to read as follows:

''(viii) TRANSFER.—The term 'transfer' means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with property or with an interest in property, including retention of title as a security interest and foreclosure of the depository institutions's equity of redemption.''.

(h) TREATMENT OF QUALIFIED FINANCIAL CONTRACTS.—Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended—

(1) in subparagraph (A), by striking ''paragraph (10)'' and inserting ''paragraphs (9) and (10)'';

(2) in subparagraph (A)(i), by striking ''to cause the termination or liquidation'' and inserting ''such person has to cause the termination, liquidation, or acceleration'';

(3) by striking clause (ii) of subparagraph (A) and inserting the following:

''(ii) any right under any security agreement or arrangement or other credit enhancement related to 1 or more qualified financial contracts described in clause (i); or''; and

(4) by striking clause (ii) of subparagraph (E) and inserting the following:

''(ii) any right under any security agreement or arrangement or other credit enhancement related to 1 or more qualified financial contracts described in clause (i); or''.

(i) AVOIDANCE OF TRANSFERS.—Section 11(e)(8)(C)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(C)(i)) is amended by inserting ''section 5242 of the Revised Statutes (12 U.S.C. 91), or any other Federal or State law relating to the avoidance of preferential or fraudulent transfers,'' before ''the Corporation''.

SEC. 1303. AUTHORITY OF THE CORPORATION WITH RESPECT TO FAILED AND FAILING INSTITUTIONS.

(a) IN GENERAL.—Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended—

(1) in subparagraph (E), by striking ''other than paragraph (12) of this subsection, subsection (d)(9)'' and inserting ''other than subsections (d)(9) and (e)(10)''; and

(2) by adding at the end the following:

''(F) CLARIFICATION.—No provision of law shall be construed as limiting the right or power of the Corporation, or authorizing any court or agency to limit or delay, in any manner, the right or power of the Corporation to transfer any qualified financial contract in accordance with paragraphs (9) and (10) or to disaffirm or repudiate any such contract in accordance with subsection (e)(1).

''(G) WALKAWAY CLAUSES NOT EFFECTIVE.—

''(i) IN GENERAL.—Notwithstanding the provisions of subparagraphs (A) and (E), and sections 403 and 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, no walkaway clause shall be enforceable in a qualified financial contract of an insured depository institution in default.

''(ii) WALKAWAY CLAUSE DEFINED.—For purposes of this subparagraph, the term 'walkaway clause' means a provision in a qualified financial contract that, after calculation of a value of a party's position or an amount due to or from 1 of the parties in accordance with its terms upon termination, liquidation, or acceleration of the qualified financial contract, either does not create a payment obligation of a party or extinguishes a payment obligation of a party in whole or in part solely because of such party's status as a nondefaulting party.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 11(e)(12)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(12)(A)) is amended by inserting ''or the exercise of rights or powers by'' after ''the appointment of''.

SEC. 1304. AMENDMENTS RELATING TO TRANSFERS OF QUALIFIED FINANCIAL CONTRACTS.

(a) TRANSFERS OF QUALIFIED FINANCIAL CONTRACTS TO FINANCIAL INSTITUTIONS.—Section 11(e)(9) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(9)) is amended to read as follows:

''(9) TRANSFER OF QUALIFIED FINANCIAL CONTRACTS.—

''(A) IN GENERAL.—In making any transfer of assets or liabilities of a depository institution in default which includes any qualified financial contract, the conservator or receiver for such depository institution shall either—

''(i) transfer to 1 financial institution, other than a financial institution for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed or which is otherwise the subject of a bankruptcy or insolvency proceeding—

''(I) all qualified financial contracts between any person or any affiliate of such person and the depository institution in default;

''(II) all claims of such person or any affiliate of such person against such depository institution under any such contract (other than any claim which, under the terms of any such contract, is subordinated to the claims of general unsecured creditors of such institution);

''(III) all claims of such depository institution against such person or any affiliate of such person under any such contract; and

''(IV) all property securing or any other credit enhancement for any contract described in subclause (I) or any claim described in subclause (II) or (III) under any such contract; or

''(ii) transfer none of the qualified financial contracts, claims, property, or other credit enhancement referred to in clause (i) (with respect to such person and any affiliate of such person).

''(B) TRANSFER TO FOREIGN BANK, FOREIGN FINANCIAL INSTITUTION, OR BRANCH OR AGENCY OF A FOREIGN BANK OR FINANCIAL INSTITUTION.—In transferring any qualified financial contract and related claims and property pursuant to subparagraph (A)(i), the conservator or receiver for the depository institution shall not make such transfer to a foreign bank, financial institution organized under the laws of a foreign country, or a branch or agency of a foreign bank or financial institution unless, under the law applicable to such bank, financial institution, branch, or agency, to the qualified financial contract, and to any netting contract, any security agreement or arrangement or other credit enhancement related to 1 or more

qualified financial contracts the contractual rights of the parties to such qualified financial contracts, netting contracts, security agreements, or arrangements, or other credit enhancements are enforceable substantially to the same extent as permitted under this section.

''(C) TRANSFER OF CONTRACT SUBJECT TO THE RULES OF A CLEARING ORGANIZATION.—If a conservator or receiver transfers any qualified financial contract and related claims, property, and credit enhancements pursuant to subparagraph (A)(i) and such contract is subject to the rules of a clearing organization, the clearing organization shall not be required to accept the transferee as a member by virtue of the transfer.

''(D) DEFINITION.—For purposes of this paragraph, the term 'financial institution' means a broker or dealer, a depository institution, a futures commission merchant, or any other institution that the Corporation determines, by regulation, to be a financial institution.''.

(b) NOTICE TO QUALIFIED FINANCIAL CONTRACT COUNTERPARTIES.—Section 11(e)(10)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(10)(A)) is amended by striking the flush material immediately following clause (ii) and inserting the following:

''the conservator or receiver shall notify any person who is a party to any such contract of such transfer by 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver in the case of a receivership, or the business day following such transfer in the case of a conservatorship.''.

(c) RIGHTS AGAINST RECEIVER AND TREATMENT OF BRIDGE BANKS.—Section 11(e)(10) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(10)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (D); and

(2) by inserting after subparagraph (A) the following:

''(B) CERTAIN RIGHTS NOT ENFORCEABLE.—

''(i) RECEIVERSHIP.—A person who is a party to a qualified financial contract with an insured depository institution may not exercise any right such person has to terminate, liquidate, or net such contract under paragraph (8)(A) or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a receiver for the depository institution (or the insolvency or financial condition of the depository institution for which the receiver has been appointed)—

''(I) until 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver; or

''(II) after the person has received notice that the contract has been transferred pursuant to paragraph (9)(A).

''(ii) CONSERVATORSHIP.—A person who is a party to a qualified financial contract with an insured depository institution may not exercise any right such person has to terminate, liquidate, or net such contract under paragraph (8)(E) or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a conservator for the depository institution (or the insolvency or financial condition of the depository institution for which the conservator has been appointed).

''(iii) NOTICE.—For purposes of this paragraph, the Corporation as receiver or conservator of an insured depository institution shall be deemed to have notified a person who is a party to a qualified financial contract with such depository institution if the Corporation has taken steps reasonably calculated to provide notice to such person by the time specified in subparagraph (A).

''(C) TREATMENT OF BRIDGE BANKS.—A financial institution for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed or that is otherwise the subject of a bankruptcy or insolvency proceeding for purposes of subsection (e)(9) does not include—

''(i) a bridge bank; or

''(ii) a depository institution organized by the Corporation, for which a conservator is appointed either—

''(I) immediately upon the organization of the institution; or

''(II) at the time of a purchase and assumption transaction between such institution and the Corporation as receiver for a depository institution in default.''.

SEC. 1305. AMENDMENTS RELATING TO DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS.

Section 11(e) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)) is amended—

(1) by redesignating paragraphs (11) through (15) as paragraphs (12) through (16), respectively;

(2) in paragraph (8)(C)(i), by striking ''(11)'' and inserting ''(12)'';

(3) in paragraph (8)(E), by striking ''(12)'' and inserting ''(13)''; and

(4) by inserting after paragraph (10) the following:

''(11) DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS.—In exercising the right to disaffirm or repudiate with respect to any qualified financial contract to which an insured depository institution is a party, the conservator or receiver for such institution shall either—

''(A) disaffirm or repudiate all qualified financial contracts between—

''(i) any person or any affiliate of such person; and

''(ii) the depository institution in default; or

''(B) disaffirm or repudiate none of the qualified financial contracts referred to in subparagraph (A) (with respect to such person or any affiliate of such person).''.

SEC. 1306. CLARIFYING AMENDMENT RELATING TO MASTER AGREEMENTS.

Section 11(e)(8)(D)(vii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(vii)) is amended to read as follows:

''(vii) TREATMENT OF MASTER AGREEMENT AS 1 AGREEMENT.—Any master agreement for any contract or agreement described in any preceding clause of this subparagraph (or any master agreement for such master agreement or agreements), together with all supplements to such master agreement, shall be treated as a single agreement and a single qualified financial contract. If a master agreement contains provisions relating to agreements or transactions that are not themselves qualified financial contracts, the master agreement shall be deemed to be a qualified financial contract only with respect to those transactions that are themselves qualified financial contracts.''.

SEC. 1307. FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991.

(a) DEFINITIONS.—Section 402 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4402) is amended—

(1) in paragraph (6)—

(A) by redesignating subparagraphs (B) through (D) as subparagraphs (C) through (E), respectively;

(B) by inserting after subparagraph (A) the following:

''(B) an uninsured national bank or an uninsured State bank that is a member of the Federal Reserve System, if the national bank or State member bank is not eligible to make application to become an insured bank under section 5 of the Federal Deposit Insurance Act;''; and

(C) by striking subparagraph (C) (as redesignated) and inserting the following:

''(C) a branch or agency of a foreign bank, a foreign bank and any branch or agency of the foreign bank, or the foreign bank that established the branch or agency, as those terms are defined in section 1(b) of the International Banking Act of 1978;'';

(2) in paragraph (11), by inserting before the period ''and any other clearing organization with which such clearing organization has a netting contract'';

(3) in paragraph (14)(A), by striking clause (i) and inserting the following:

''(i) means a contract or agreement between 2 or more financial institutions, clearing organizations, or members that provides for netting present or future payment obligations or payment entitlements (including liquidation or closeout values relating to such obligations or entitlements) among the parties to the agreement; and''; and

(4) by adding at the end the following:

''(15) PAYMENT.—The term 'payment' means a payment of United States dollars, another currency, or a composite currency, and a noncash delivery, including a payment or delivery to liquidate an unmatured obligation.''.

(b) ENFORCEABILITY OF BILATERAL NETTING CONTRACTS.—Section 403 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4403) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) GENERAL RULE.—Notwithstanding any other provision of Federal or State law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act or any order authorized under section 5(b)(2) of the Securities Investor Protection Act of 1970, the covered contractual payment obligations and the covered contractual payment entitlements between any 2 financial institutions shall be netted in accordance with, and subject to the conditions of, the terms of any applicable netting contract (except as provided in section 561(b)(2) of title 11, United States Code).''; and

(2) by adding at the end the following:

''(f) ENFORCEABILITY OF SECURITY AGREEMENTS.—The provisions of any security agreement or arrangement or other credit enhancement related to 1 or more netting contracts between any 2 financial institutions shall be enforceable in accordance with their terms (except as provided in section 561(b)(2) of title 11, United States Code) and shall not be stayed, avoided, or otherwise limited by any State or Federal law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act and section 5(b)(2) of the Securities Investor Protection Act of 1970).''.

(c) ENFORCEABILITY OF CLEARING ORGANIZATION NETTING CONTRACTS.—Section 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4404) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) GENERAL RULE.—Notwithstanding any other provision of Federal or State law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act or any order authorized under section 5(b)(2) of the Securities Investor Protection Act of 1970) the covered contractual payment obligations and the covered contractual payment entitlements of a member of a clearing organization to and from all other members of the clearing organization shall be netted in accordance with, and subject to the conditions of, the terms of any applicable netting contract (except as provided in section 561(b)(2) of title 11, United States Code).''; and

(2) by adding at the end the following:

''(h) ENFORCEABILITY OF SECURITY AGREEMENTS.—The provisions of any security agreement or arrangement or other credit enhancement related to 1 or more netting contracts between any 2 members of a clearing organization shall be enforceable in accordance with their terms (except as provided in section 561(b)(2) of title 11, United States Code) and shall not be stayed, avoided, or otherwise limited by any State or Federal law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act and section 5(b)(2) of the Securities Investor Protection Act of 1970).''.

(d) ENFORCEABILITY OF CONTRACTS WITH UNINSURED NATIONAL BANKS AND UNINSURED FEDERAL BRANCHES AND AGENCIES.—The Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4401 et seq.) is amended by adding at the end the following:

''SEC. 408. TREATMENT OF CONTRACTS WITH UNINSURED NATIONAL BANKS AND UNINSURED FEDERAL BRANCHES AND AGENCIES.

''(a) IN GENERAL.—Notwithstanding any other provision of law, paragraphs (8), (9), (10), and (11) of section 11(e) of the Federal Deposit Insurance Act shall apply to an uninsured national bank or uninsured Federal branch or Federal agency, except that for such purpose—

''(1) any reference to the 'Corporation as receiver' or 'the receiver or the Corporation' shall refer to the receiver of an uninsured national bank or uninsured Federal branch or Federal agency appointed by the Comptroller of the Currency;

''(2) any reference to the 'Corporation' (other than in section 11(e)(8)(D) of that Act), the 'Corporation, whether acting as such or as conservator or receiver', a 'receiver', or a 'conservator' shall refer to the receiver or conservator of an uninsured national bank or uninsured Federal branch or Federal agency appointed by the Comptroller of the Currency; and

''(3) any reference to an 'insured depository institution' or 'depository institution' shall refer to an uninsured national bank or an uninsured Federal branch or Federal agency.

''(b) LIABILITY.—The liability of a receiver or conservator of an uninsured national bank or uninsured Federal branch or agency shall be determined in the same manner and subject to the same limitations that apply to receivers and conservators of insured depository institutions under section 11(e) of the Federal Deposit Insurance Act.

''(c) REGULATORY AUTHORITY.—

''(1) IN GENERAL.—The Comptroller of the Currency, in consultation with the Federal Deposit Insurance Corporation, may promulgate regulations to implement this section.

''(2) SPECIFIC REQUIREMENT.—In promulgating regulations to implement this section, the Comptroller of the Currency shall ensure that the regulations generally are consistent with the regulations and policies of the Federal Deposit Insurance Corporation adopted pursuant to the Federal Deposit Insurance Act.

''(d) DEFINITIONS.—For purposes of this section, the terms 'Federal branch', 'Federal agency', and 'foreign bank' have the same meanings as in section 1(b) of the International Banking Act of 1978.''.

SEC. 1308. RECORDKEEPING REQUIREMENTS.

Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended by adding at the end the following:

''(H) RECORDKEEPING REQUIREMENTS.—The Corporation, in consultation with the appropriate Federal banking agencies, may prescribe regulations requiring more detailed recordkeeping with respect to qualified financial contracts (including market valuations) by insured depository institutions.''.

SEC. 1309. EXEMPTIONS FROM CONTEMPORANEOUS EXECUTION REQUIREMENT.

Section 13(e)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1823(e)(2)) is amended to read as follows:

''(2) EXEMPTIONS FROM CONTEMPORANEOUS EXECUTION REQUIREMENT.—

''(A) IN GENERAL.—An agreement described in subparagraph (B) shall not be deemed to be invalid pursuant to paragraph (1)(B) solely on the basis—

''(i) that the agreement was not executed contemporaneously with the acquisition of the collateral; or

''(ii) of any pledge, delivery, or substitution of the collateral made in accordance with the agreement.

''(B) AGREEMENT DESCRIBED.—An agreement is described in this subparagraph if it is an agreement to provide for the lawful collateralization of—

''(i) deposits of, or other credit extension by, a Federal, State, or local governmental entity, or of any depositor referred to in section 11(a)(2), including an agreement to provide collateral in lieu of a surety bond;

''(ii) securities deposited under section 345(b)(2) of title 11, United States Code;

''(iii) extensions of credit, including an overdraft, from a Federal reserve bank or Federal home loan bank; or

''(iv) 1 or more qualified financial contracts (as defined in section 11(e)(8)(D)).''.

SEC. 1310. SIPC STAY.

Section 5(b)(2) of the Securities Investor Protection Act of 1970 (15 U.S.C. 78eee(b)(2)) is amended by adding at the end the following:

''(C) EXCEPTION FROM STAY.—

''(i) IN GENERAL.—Notwithstanding section 362 of title 11, United States Code, neither the filing of an application under subsection (a)(3) of this section nor any order or decree obtained by SIPC from the court shall operate as a stay of any contractual right of a creditor to liquidate, terminate, or accelerate a securities contract, commodity contract, forward contract, repurchase agreement, swap agreement, or master netting agreement, each as defined in title 11, United States Code, to offset or net termination values, payment amounts, or other transfer obligations arising under or in connection with 1 or more of such contracts or agreements, or to foreclose on any cash collateral pledged by the debtor, whether or not with respect to 1 or more of such contracts or agreements.

''(ii) STAYS ON FORECLOSURE.—Notwithstanding clause (i), an application, order, or decree described therein may operate as a stay of the foreclosure on securities collateral pledged by the debtor, whether or not with respect to 1 or more of such contracts or agreements, securities sold by the debtor under a repurchase agreement or securities lent under a securities lending agreement.

''(iii) DEFINITION.—As used in this section, the term 'contractual right' includes—

''(I) a right set forth in a rule or bylaw of a national securities exchange, a national securities association, or a securities clearing agency;

''(II) a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof; and

''(III) a right, whether or not in writing, arising under common law, under law merchant, or by reason of normal business practice.''.

SEC. 1311. FEDERAL RESERVE COLLATERAL REQUIREMENTS.

Section 16 of the Federal Reserve Act (12 U.S.C. 412) is amended in the third sentence of the second undesignated paragraph, by striking ''acceptances acquired under section 13 of this Act'' and inserting ''acceptances acquired under section 10A, 10B, 13, or 13A''.

SEC. 1312. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) SEVERABILITY.—If any provision of this title or any amendment made by this title, or the application of any such provision or amendment to any person or circumstance, is held to be unconstitutional, the remaining provisions of and amendments made by this title and the application of such other provisions and amendments to any person or circumstance shall not be affected thereby.

(b) EFFECTIVE DATE.—This title and the amendments made by this title shall take effect on the date of enactment of this Act.

(c) APPLICATION OF AMENDMENTS.—The amendments made by this title shall apply with respect to cases commenced or appointments made under any Federal or State law after the date of enactment of this Act, but shall not apply with respect to cases commenced or appointments made under any Federal or State law before the date of enactment of this Act.

DOMENICI (AND OTHERS) AMENDMENT NO. 2547

(Ordered to lie on the table.)

Mr. DOMENICI (for himself, Mr. ABRAHAM, and Mr. SANTORUM) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

TITLE ____—AMENDMENTS TO FAIR LABOR STANDARDS ACT OF 1938

SEC. ____01. MINIMUM WAGE.

Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

''(1) except as otherwise provided in this section, not less than—

''(A) $5.15 an hour beginning September 1, 1997,

''(B) $5.50 an hour during the year beginning March 1, 2000,

''(C) $5.85 an hour during the year beginning March 1, 2001, and

''(D) $6.15 an hour during the year beginning March 1, 2002.''.

SEC. ____02. REGULAR RATE FOR OVERTIME PURPOSES.

Section 7(e) of the Fair Labor Standards Act of 1938 (29 U.S.C. 207(e)) is amended—

(1) by inserting before the semicolon at the end of paragraph (3) the following: ''; or (d) the payments are made to reward an employee or group of employees for meeting or exceeding the productivity, quality, efficiency, or sales goals as specified in a gainsharing, incentive bonus, commission, or performance contingent bonus plan''; and

(2) by inserting after and below paragraph (7) the following:

''A plan described in paragraph (3)(d) shall be in writing and made available to employees, provide that the amount of the payments to be made under the plan be based upon a formula that is stated in the plan, and be established and maintained in good faith for the purpose of distributing to employees additional remuneration over and above the wages and salaries that are not dependent upon the existence of such plan or payments made pursuant to such plan.''.

TITLE ____—TAX RELIEF

SEC. ____00. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Small Business Tax Relief

SEC. ___01. INCREASE IN EXPENSING LIMITATION TO $30,000.

(a) IN GENERAL.—Paragraph (1) of section 179(b) (relating to limitations) is amended to read as follows:

''(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $30,000.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ___02. REPEAL OF TEMPORARY UNEMPLOYMENT TAX.

Section 3301 (relating to rate of unemployment tax) is amended—

(1) by striking ''2007'' in paragraph (1) and inserting ''2000''; and

(2) by striking ''2008'' in paragraph (2) and inserting ''2001''.

SEC. ___03. FULL DEDUCTION OF HEALTH INSURANCE COSTS FOR SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Section 162(l)(1) (relating to allowance of deduction) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer and the taxpayer's spouse and dependents.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. ___04. PERMANENT EXTENSION OF WORK OPPORTUNITY TAX CREDIT.

(a) IN GENERAL.—Section 51(c) (defining wages) is amended by striking paragraph (4).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to individuals who begin work for the employer after June 30, 1999.

SEC. ___05. SMALL BUSINESSES ALLOWED INCREASED DEDUCTION FOR MEAL AND ENTERTAINMENT EXPENSES.

(a) IN GENERAL.—Subsection (n) of section 274 (relating to only 50 percent of meal and entertainment expenses allowed as deduction) is amended by adding at the end the following:

''(4) SPECIAL RULE FOR SMALL BUSINESSES.—

''(A) IN GENERAL.—In the case of any taxpayer which is a small business, paragraph (1) shall be applied by substituting 'the applicable percentage' for '50 percent'. For purposes of the preceding sentence, the term 'applicable percentage' means 55 percent in the case of taxable years beginning in 2001, increased (but not above 80 percent) by 5 percentage points for each succeeding calendar year after 2001 with respect to taxable years beginning in each such calendar year.

''(B) SMALL BUSINESS.—For purposes of this paragraph, the term 'small business' means, with respect to expenses paid or incurred during any taxable year—

''(i) any C corporation which meets the requirements of section 55(e)(1) for such year, and

''(ii) any S corporation, partnership, or sole proprietorship which would meet such requirements if it were a C corporation.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2000.

Subtitle B—Deduction for Health and Long-Term Care Insurance

SEC. ___11. DEDUCTION FOR HEALTH AND LONG-TERM CARE INSURANCE COSTS OF INDIVIDUALS NOT PARTICIPATING IN EMPLOYER-SUBSIDIZED HEALTH PLANS.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 is amended by redesignating section 222 as section 223 and by inserting after section 221 the following new section:

''SEC. 222. HEALTH AND LONG-TERM CARE INSURANCE COSTS.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction an amount equal to the applicable percentage of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer and the taxpayer's spouse and dependents.

''(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a), the applicable percentage shall be determined in accordance with the following table:

''For taxable years beginning in calendar year:	The applicable dollar amount:
2002, 2003, and 2004	25
2005	35
2006	65
2007 and thereafter	100.

''(c) LIMITATION BASED ON OTHER COVERAGE.—

''(1) COVERAGE UNDER CERTAIN SUBSIDIZED EMPLOYER PLANS.—

''(A) IN GENERAL.—Subsection (a) shall not apply to any taxpayer for any calendar month for which the taxpayer participates in any health plan maintained by any employer of the taxpayer or of the spouse of the taxpayer if 50 percent or more of the cost of coverage under such plan (determined under section 4980B and without regard to payments made with respect to any coverage described in subsection (e)) is paid or incurred by the employer.

''(B) EMPLOYER CONTRIBUTIONS TO CAFETERIA PLANS, FLEXIBLE SPENDING ARRANGEMENTS, AND MEDICAL SAVINGS ACCOUNTS.—Employer contributions to a cafeteria plan, a flexible spending or similar arrangement, or a medical savings account which are excluded from gross income under section 106 shall be treated for purposes of subparagraph (A) as paid by the employer.

''(C) AGGREGATION OF PLANS OF EMPLOYER.—A health plan which is not otherwise described in subparagraph (A) shall be treated as described in such subparagraph if such plan would be so described if all health plans of persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 were treated as one health plan.

''(D) SEPARATE APPLICATION TO HEALTH INSURANCE AND LONG-TERM CARE INSURANCE.—Subparagraphs (A) and (C) shall be applied separately with respect to—

''(i) plans which include primarily coverage for qualified long-term care services or are qualified long-term care insurance contracts, and

''(ii) plans which do not include such coverage and are not such contracts.

''(2) COVERAGE UNDER CERTAIN FEDERAL PROGRAMS.—

''(A) IN GENERAL.—Subsection (a) shall not apply to any amount paid for any coverage for an individual for any calendar month if, as of the first day of such month, the individual is covered under any medical care program described in—

''(i) title XVIII, XIX, or XXI of the Social Security Act,

''(ii) chapter 55 of title 10, United States Code,

''(iii) chapter 17 of title 38, United States Code,

''(iv) chapter 89 of title 5, United States Code, or

''(v) the Indian Health Care Improvement Act.

''(B) EXCEPTIONS.—

''(i) QUALIFIED LONG-TERM CARE.—Subparagraph (A) shall not apply to amounts paid for coverage under a qualified long-term care insurance contract.

''(ii) CONTINUATION COVERAGE OF FEHBP.—Subparagraph (A)(iv) shall not apply to coverage which is comparable to continuation coverage under section 4980B.

''(d) LONG-TERM CARE DEDUCTION LIMITED TO QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS.—In the case of a qualified long-term care insurance contract, only eligible long-term care premiums (as defined in section 213(d)(10)) may be taken into account under subsection (a).

''(e) DEDUCTION NOT AVAILABLE FOR PAYMENT OF ANCILLARY COVERAGE PREMIUMS.—Any amount paid as a premium for insurance which provides for—

''(1) coverage for accidents, disability, dental care, vision care, or a specified illness, or

''(2) making payments of a fixed amount per day (or other period) by reason of being hospitalized.

shall not be taken into account under subsection (a).

''(f) SPECIAL RULES.—

''(1) COORDINATION WITH DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.—The amount taken into account by the taxpayer in computing the deduction under section 162(l) shall not be taken into account under this section.

''(2) COORDINATION WITH MEDICAL EXPENSE DEDUCTION.—The amount taken into account by the taxpayer in computing the deduction under this section shall not be taken into account under section 213.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section, including regulations requiring employers to report to their employees and the Secretary such information as the Secretary determines to be appropriate.''.

(b) DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ITEMIZES OTHER DEDUCTIONS.—Subsection (a) of section 62 is amended by inserting after paragraph (17) the following new item:

''(18) HEALTH AND LONG-TERM CARE INSURANCE COSTS.—The deduction allowed by section 222.''.

(c) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 is amended by striking the last item and inserting the following new items:

''Sec. 222. Health and long-term care insurance costs.
''Sec. 223. Cross reference.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

Subtitle C—Pension Tax Relief

PART I—EXPANDING COVERAGE

SEC. ___21. INCREASE IN BENEFIT AND CONTRIBUTION LIMITS.

(a) DEFINED BENEFIT PLANS.—

(1) DOLLAR LIMIT.—

(A) Subparagraph (A) of section 415(b)(1) (relating to limitation for defined benefit plans) is amended by striking ''$90,000'' and inserting ''$160,000''.

(B) Subparagraphs (C) and (D) of section 415(b)(2) are each amended by striking ''$90,000'' each place it appears in the headings and the text and inserting ''$160,000''.

(C) Paragraph (7) of section 415(b) (relating to benefits under certain collectively bargained plans) is amended by striking ''the greater of $68,212 or one-half the amount otherwise applicable for such year under paragraph (1)(A) for '$90,000' '' and inserting ''one-half the amount otherwise applicable for such year under paragraph (1)(A) for '$160,000' ''.

(2) LIMIT REDUCED WHEN BENEFIT BEGINS BEFORE AGE 62.—Subparagraph (C) of section 415(b)(2) is amended by striking ''the social security retirement age'' each place it appears in the heading and text and inserting ''age 62''.

(3) LIMIT INCREASED WHEN BENEFIT BEGINS AFTER AGE 65.—Subparagraph (D) of section 415(b)(2) is amended by striking ''the social security retirement age'' each place it appears in the heading and text and inserting ''age 65''.

(4) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) by striking ''$90,000'' in paragraph (1)(A) and inserting ''$160,000'', and

(B) in paragraph (3)(A)—

(i) by striking ''$90,000'' in the heading and inserting ''$160,000'', and

(ii) by striking ''October 1, 1986'' and inserting ''July 1, 2000''.

(5) CONFORMING AMENDMENT.—Section 415(b)(2) is amended by striking subparagraph (F).

(b) DEFINED CONTRIBUTION PLANS.—

(1) DOLLAR LIMIT.—Subparagraph (A) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking ''$30,000'' and inserting ''$40,000''.

(2) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) by striking ''$30,000'' in paragraph (1)(C) and inserting ''$40,000'', and

(B) in paragraph (3)(D)—

(i) by striking ''$30,000'' in the heading and inserting ''$40,000'', and

(ii) by striking ''October 1, 1993'' and inserting ''July 1, 2000''.

(c) QUALIFIED TRUSTS.—

(1) COMPENSATION LIMIT.—Sections 401(a)(17), 404(l), 408(k), and 505(b)(7) are each amended by striking ''$150,000'' each place it appears and inserting ''$200,000''.

(2) BASE PERIOD AND ROUNDING OF COST-OF-LIVING ADJUSTMENT.—Subparagraph (B) of section 401(a)(17) is amended—

(A) by striking ''October 1, 1993'' and inserting ''July 1, 2000'', and

(B) by striking ''$10,000'' both places it appears and inserting ''$5,000''.

(d) ELECTIVE DEFERRALS.—

(1) IN GENERAL.—Paragraph (1) of section 402(g) (relating to limitation on exclusion for elective deferrals) is amended to read as follows:

''(1) IN GENERAL.—

''(A) LIMITATION.—Notwithstanding subsections (e)(3) and (h)(1)(B), the elective deferrals of any individual for any taxable year shall be included in such individual's gross income to the extent the amount of such deferrals for the taxable year exceeds the applicable dollar amount.

''(B) APPLICABLE DOLLAR AMOUNT.—For purposes of subparagraph (A), the applicable dollar amount shall be the amount determined in accordance with the following table:

''For taxable years beginning in calendar year:	The applicable dollar amount:
2001	$11,000
2002	$12,000
2003	$13,000
2004	$14,000
2005 or thereafter	$15,000.''.

(2) COST-OF-LIVING ADJUSTMENT.—Paragraph (5) of section 402(g) is amended to read as follows:

''(5) COST-OF-LIVING ADJUSTMENT.—In the case of taxable years beginning after December 31, 2005, the Secretary shall adjust the $15,000 amount under paragraph (1)(B) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2004, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.''.

(3) CONFORMING AMENDMENTS.—

(A) Section 402(g) (relating to limitation on exclusion for elective deferrals), as amended by paragraphs (1) and (2), is further amended by striking paragraph (4) and redesignating paragraphs (5), (6), (7), (8), and (9) as paragraphs (4), (5), (6), (7), and (8), respectively.

(B) Paragraph (2) of section 457(c) is amended by striking ''402(g)(8)(A)(iii)'' and inserting ''402(g)(7)(A)(iii)''.

(C) Clause (iii) of section 501(c)(18)(D) is amended by striking ''(other than paragraph (4) thereof)''.

(e) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations) is amended—

(A) in subsections (b)(2)(A) and (c)(1) by striking ''$7,500'' each place it appears and inserting ''the applicable dollar amount'', and

(B) in subsection (b)(3)(A) by striking ''$15,000'' and inserting ''twice the dollar amount in effect under subsection (b)(2)(A)''.

(2) APPLICABLE DOLLAR AMOUNT; COST-OF-LIVING ADJUSTMENT.—Paragraph (15) of section 457(e) is amended to read as follows:

''(15) APPLICABLE DOLLAR AMOUNT.—

''(A) IN GENERAL.—The applicable dollar amount shall be the amount determined in accordance with the following table:

''For taxable years beginning in calendar year:	The applicable dollar amount:
2001	$11,000
2002	$12,000
2003	$13,000
2004	$14,000
2005 or thereafter	$15,000.

''(B) COST-OF-LIVING ADJUSTMENTS.—In the case of taxable years beginning after December 31, 2005, the Secretary shall adjust the $15,000 amount specified in the table in subparagraph (A) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2004, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.''.

(f) SIMPLE RETIREMENT ACCOUNTS.—

(1) LIMITATION.—Clause (ii) of section 408(p)(2)(A) (relating to general rule for qualified salary reduction arrangement) is amended by striking ''$6,000'' and inserting ''the applicable dollar amount''.

(2) APPLICABLE DOLLAR AMOUNT.—Subparagraph (E) of 408(p)(2) is amended to read as follows:

''(E) APPLICABLE DOLLAR AMOUNT; COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—For purposes of subparagraph (A)(ii), the applicable dollar amount shall be the amount determined in accordance with the following table:

''For taxable years beginning in calendar year:	The applicable dollar amount:
2001	$7,000
2002	$8,000
2003	$9,000
2004 or thereafter	$10,000.

''(ii) COST-OF-LIVING ADJUSTMENT.—In the case of a year beginning after December 31, 2004, the Secretary shall adjust the $10,000 amount under clause (i) at the same time and in the same manner as under section 415(d), except that the base period taken into account shall be the calendar quarter beginning July 1, 2003, and any increase under this subparagraph which is not a multiple of $500 shall be rounded to the next lower multiple of $500.''.

(3) CONFORMING AMENDMENTS.—

(A) Clause (I) of section 401(k)(11)(B)(i) is amended by striking ''$6,000'' and inserting ''the amount in effect under section 408(p)(2)(A)(ii)''.

(B) Section 401(k)(11) is amended by striking subparagraph (E).

(g) ROUNDING RULE RELATING TO DEFINED BENEFIT PLANS AND DEFINED CONTRIBUTION PLANS.—Paragraph (4) of section 415(d) is amended to read as follows:

''(4) ROUNDING.—

''(A) $160,000 AMOUNT.—Any increase under subparagraph (A) of paragraph (1) which is not a multiple of $5,000 shall be rounded to the next lowest multiple of $5,000.

''(B) $40,000 AMOUNT.—Any increase under subparagraph (C) of paragraph (1) which is not a multiple of $1,000 shall be rounded to the next lowest multiple of $1,000.''.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 22. PLAN LOANS FOR SUBCHAPTER S OWNERS, PARTNERS, AND SOLE PROPRIETORS.

(a) AMENDMENT TO 1986 CODE.—Subparagraph (B) of section 4975(f)(6) (relating to exemptions not to apply to certain transactions) is amended by adding at the end the following new clause:

''(iii) LOAN EXCEPTION.—For purposes of subparagraph (A)(i), the term 'owner-employee' shall only include a person described in subclause (II) or (III) of clause (i).''.

(b) AMENDMENT TO ERISA.—Section 408(d)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(d)(2)) is amended by adding at the end the following new subparagraph:

''(C) For purposes of paragraph (1)(A), the term 'owner-employee' shall only include a person described in clause (ii) or (iii) of subparagraph (A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to loans made after December 31, 2000.

SEC. 23. MODIFICATION OF TOP-HEAVY RULES.

(a) SIMPLIFICATION OF DEFINITION OF KEY EMPLOYEE.—

(1) IN GENERAL.—Section 416(i)(1)(A) (defining key employee) is amended—

(A) by striking ''or any of the 4 preceding plan years'' in the matter preceding clause (i),

(B) by striking clause (i) and inserting the following:

''(i) an officer of the employer having an annual compensation greater than $150,000,'',

(C) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and

(D) by striking the second sentence in the matter following clause (iii), as redesignated by subparagraph (C).

(2) CONFORMING AMENDMENT.—Section 416(i)(1)(B)(iii) is amended by striking ''and subparagraph (A)(ii)''.

(b) MATCHING CONTRIBUTIONS TAKEN INTO ACCOUNT FOR MINIMUM CONTRIBUTION REQUIREMENTS.—Section 416(c)(2)(A) (relating to defined contribution plans) is amended by adding at the end the following: ''Employer matching contributions (as defined in section 401(m)(4)(A)) shall be taken into account for purposes of this subparagraph.''.

(c) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—

(1) IN GENERAL.—Paragraph (3) of section 416(g) is amended to read as follows:

''(3) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—

''(A) IN GENERAL.—For purposes of determining—

''(i) the present value of the cumulative accrued benefit for any employee, or

''(ii) the amount of the account of any employee,

such present value or amount shall be increased by the aggregate distributions made with respect to such employee under the plan during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which if it had not been terminated would have been required to be included in an aggregation group.

''(B) 5-YEAR PERIOD IN CASE OF IN-SERVICE DISTRIBUTION.—In the case of any distribution made for a reason other than separation from service, death, or disability, subparagraph (A) shall be applied by substituting '5-year period' for '1-year period'.''.

(2) BENEFITS NOT TAKEN INTO ACCOUNT.—Subparagraph (E) of section 416(g)(4) is amended—

(A) by striking ''LAST 5 YEARS'' in the heading and inserting ''LAST YEAR BEFORE DETERMINATION DATE'', and

(B) by striking ''5-year period'' and inserting ''1-year period''.

(d) DEFINITION OF TOP-HEAVY PLANS.—Paragraph (4) of section 416(g) (relating to other special rules for top-heavy plans) is amended by adding at the end the following new subparagraph:

''(H) CASH OR DEFERRED ARRANGEMENTS USING ALTERNATIVE METHODS OF MEETING NONDISCRIMINATION REQUIREMENTS.—The term 'top-heavy plan' shall not include a plan which consists solely of—

''(i) a cash or deferred arrangement which meets the requirements of section 401(k)(12), and

''(ii) matching contributions with respect to which the requirements of section 401(m)(11) are met.

If, but for this subparagraph, a plan would be treated as a top-heavy plan because it is a member of an aggregation group which is a top-heavy group, contributions under the plan may be taken into account in determining whether any other plan in the group meets the requirements of subsection (c)(2).''.

(e) FROZEN PLAN EXEMPT FROM MINIMUM BENEFIT REQUIREMENT.—Subparagraph (C) of section 416(c)(1) (relating to defined benefit plans) is amended—

(A) by striking ''clause (ii)'' in clause (i) and inserting ''clause (ii) or (iii)'', and

(B) by adding at the end the following:

''(iii) EXCEPTION FOR FROZEN PLAN.—For purposes of determining an employee's years of service with the employer, any service with the employer shall be disregarded to the extent that such service occurs during a plan year when the plan benefits (within the meaning of section 410(b)) no employee or former employee.''.

(f) ELIMINATION OF FAMILY ATTRIBUTION.—Section 416(i)(1)(B) (defining 5-percent owner) is amended by adding at the end the following new clause:

''(iv) FAMILY ATTRIBUTION DISREGARDED.—Solely for purposes of applying this paragraph (and not for purposes of any provision of this title which incorporates by reference the definition of a key employee or 5-percent owner under this paragraph), section 318 shall be applied without regard to subsection (a)(1) thereof in determining whether any person is a 5-percent owner.''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. ___24. ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.

(a) IN GENERAL.—Section 404 (relating to deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred payment plan) is amended by adding at the end the following new subsection:

''(n) ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.—Elective deferrals (as defined in section 402(g)(3)) shall not be subject to any limitation contained in paragraph (3), (7), or (9) of subsection (a), and such elective deferrals shall not be taken into account in applying any such limitation to any other contributions.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

SEC. ___25. REPEAL OF COORDINATION REQUIREMENTS FOR DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Subsection (c) of section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations), as amended by section ___21, is amended to read as follows:

''(c) LIMITATION.—The maximum amount of the compensation of any one individual which may be deferred under subsection (a) during any taxable year shall not exceed the amount in effect under subsection (b)(2)(A) (as modified by any adjustment provided under subsection (b)(3)).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 2000.

SEC. ___26. ELIMINATION OF USER FEE FOR REQUESTS TO IRS REGARDING PENSION PLANS.

(a) ELIMINATION OF CERTAIN USER FEES.—The Secretary of the Treasury or the Secretary's delegate shall not require payment of user fees under the program established under section 7527 of the Internal Revenue Code of 1986 for requests to the Internal Revenue Service for determination letters with respect to the qualified status of a pension benefit plan maintained solely by one or more eligible employers or any trust which is part of the plan. The preceding sentence shall not apply to any request—

(1) made after the 5th plan year the pension benefit plan is in existence, or

(2) made by the sponsor of any prototype or similar plan which the sponsor intends to market to participating employers.

(b) PENSION BENEFIT PLAN.—For purposes of this section, the term ''pension benefit plan'' means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan.

(c) ELIGIBLE EMPLOYER.—For purposes of this section, the term ''eligible employer'' has the same meaning given such term in section 408(p)(2)(C)(i)(I) of the Internal Revenue Code of 1986. The determination of whether an employer is an eligible employer under this section shall be made as of the date of the request described in subsection (a).

(d) EFFECTIVE DATE.—The provisions of this section shall apply with respect to requests made after December 31, 2000.

SEC. ___27. DEDUCTION LIMITS.

(a) IN GENERAL.—Section 404(a) (relating to general rule) is amended by adding at the end the following:

''(12) DEFINITION OF COMPENSATION.—For purposes of paragraphs (3), (7), (8), and (9), the term 'compensation' shall include amounts treated as participant's compensation under subparagraph (C) or (D) of section 415(c)(3).''.

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 404(a)(3) is amended by striking the last sentence thereof.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. ___28. OPTION TO TREAT ELECTIVE DEFERRALS AS AFTER-TAX CONTRIBUTIONS.

(a) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 (relating to deferred compensation, etc.) is amended by inserting after section 402 the following new section:

''SEC. 402A. OPTIONAL TREATMENT OF ELECTIVE DEFERRALS AS PLUS CONTRIBUTIONS.

''(a) GENERAL RULE.—If an applicable retirement plan includes a qualified plus contribution program—

''(1) any designated plus contribution made by an employee pursuant to the program shall be treated as an elective deferral for purposes of this chapter, except that such contribution shall not be excludable from gross income, and

''(2) such plan (and any arrangement which is part of such plan) shall not be treated as failing to meet any requirement of this chapter solely by reason of including such program.

''(b) QUALIFIED PLUS CONTRIBUTION PROGRAM.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified plus contribution program' means a program under which an employee may elect to make designated plus contributions in lieu of all or a portion of elective deferrals the employee is otherwise eligible to make under the applicable retirement plan.

''(2) SEPARATE ACCOUNTING REQUIRED.—A program shall not be treated as a qualified plus contribution program unless the applicable retirement plan—

''(A) establishes separate accounts ('designated plus accounts') for the designated plus contributions of each employee and any earnings properly allocable to the contributions, and

''(B) maintains separate recordkeeping with respect to each account.

''(c) DEFINITIONS AND RULES RELATING TO DESIGNATED PLUS CONTRIBUTIONS.—For purposes of this section—

''(1) DESIGNATED PLUS CONTRIBUTION.—The term 'designated plus contribution' means any elective deferral which—

''(A) is excludable from gross income of an employee without regard to this section, and

''(B) the employee designates (at such time and in such manner as the Secretary may prescribe) as not being so excludable.

''(2) DESIGNATION LIMITS.—The amount of elective deferrals which an employee may designate under paragraph (1) shall not exceed the excess (if any) of—

''(A) the maximum amount of elective deferrals excludable from gross income of the employee for the taxable year (without regard to this section), over

''(B) the aggregate amount of elective deferrals of the employee for the taxable year which the employee does not designate under paragraph (1).

''(3) ROLLOVER CONTRIBUTIONS.—

''(A) IN GENERAL.—A rollover contribution of any payment or distribution from a designated plus account which is otherwise allowable under this chapter may be made only if the contribution is to—

''(i) another designated plus account of the individual from whose account the payment or distribution was made, or

''(ii) a Roth IRA of such individual.

''(B) COORDINATION WITH LIMIT.—Any rollover contribution to a designated plus account under subparagraph (A) shall not be taken into account for purposes of paragraph (1).

''(d) DISTRIBUTION RULES.—For purposes of this title—

''(1) EXCLUSION.—Any qualified distribution from a designated plus account shall not be includible in gross income.

''(2) QUALIFIED DISTRIBUTION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified distribution' has the meaning given such term by section 408A(d)(2)(A) (without regard to clause (iv) thereof).

''(B) DISTRIBUTIONS WITHIN NONEXCLUSION PERIOD.—A payment or distribution from a designated plus account shall not be treated as a qualified distribution if such payment or distribution is made within the 5-taxable-year period beginning with the earlier of—

''(i) the first taxable year for which the individual made a designated plus contribution to any designated plus account established for such individual under the same applicable retirement plan, or

''(ii) if a rollover contribution was made to such designated plus account from a designated plus account previously established for such individual under another applicable retirement plan, the first taxable year for which the individual made a designated plus contribution to such previously established account.

''(C) DISTRIBUTIONS OF EXCESS DEFERRALS AND EARNINGS.—The term 'qualified distribution' shall not include any distribution of any excess deferral under section 402(g)(2) and any income on the excess deferral.

''(3) AGGREGATION RULES.—Section 72 shall be applied separately with respect to distributions and payments from a designated plus account and other distributions and payments from the plan.

''(e) OTHER DEFINITIONS.—For purposes of this section—

''(1) APPLICABLE RETIREMENT PLAN.—The term 'applicable retirement plan' means—

''(A) an employees' trust described in section 401(a) which is exempt from tax under section 501(a), and

''(B) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b).

''(2) ELECTIVE DEFERRAL.—The term 'elective deferral' means any elective deferral described in subparagraph (A) or (C) of section 402(g)(3).''.

(b) EXCESS DEFERRALS.—Section 402(g) (relating to limitation on exclusion for elective deferrals) is amended—

(1) by adding at the end of paragraph (1) the following new sentence: ''The preceding sentence shall not apply to so much of such excess as does not exceed the designated plus contributions of the individual for the taxable year.'', and

(2) by inserting ''(or would be included but for the last sentence thereof)'' after ''paragraph (1)'' in paragraph (2)(A).

(c) ROLLOVERS.—Subparagraph (B) of section 402(c)(8) is amended by adding at the end the following:

''If any portion of an eligible rollover distribution is attributable to payments or distributions from a designated plus account (as defined in section 402A), an eligible retirement plan with respect to such portion shall include only another designated plus account and a Roth IRA.''.

(d) REPORTING REQUIREMENTS.—

(1) W–2 INFORMATION.—Section 6051(a)(8) is amended by inserting '', including the amount of designated plus contributions (as defined in section 402A)'' before the comma at the end.

(2) INFORMATION.—Section 6047 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) DESIGNATED PLUS CONTRIBUTIONS.—The Secretary shall require the plan administrator of each applicable retirement plan (as defined in section 402A) to make such returns and reports regarding designated plus contributions (as so defined) to the Secretary, participants and beneficiaries of the plan, and such other persons as the Secretary may prescribe.''.

(e) CONFORMING AMENDMENTS.—

(1) Section 408A(e) is amended by adding after the first sentence the following new sentence: ''Such term includes a rollover contribution described in section 402A(c)(3)(A).''.

(2) The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 402 the following new item:

''Sec. 402A. Optional treatment of elective deferrals as plus contributions.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

PART II—ENHANCING FAIRNESS FOR WOMEN

SEC. ___31. CATCHUP CONTRIBUTIONS FOR INDIVIDUALS AGE 50 OR OVER.

(a) IN GENERAL.—Section 414 (relating to definitions and special rules) is amended by adding at the end the following new subsection:

''(v) CATCHUP CONTRIBUTIONS FOR INDIVIDUALS AGE 50 OR OVER.—

''(1) IN GENERAL.—An applicable employer plan shall not be treated as failing to meet any requirement of this title solely because the plan permits an eligible participant to make additional elective deferrals in any plan year.

''(2) LIMITATION ON AMOUNT OF ADDITIONAL DEFERRALS.—

''(A) IN GENERAL.—A plan shall not permit additional elective deferrals under paragraph (1) for any year in an amount greater than the lesser of—

''(i) the applicable percentage of the applicable dollar amount for such elective deferrals for such year, or

''(ii) the excess (if any) of—

''(I) the participant's compensation for the year, over

''(II) any other elective deferrals of the participant for such year which are made without regard to this subsection.

''(B) APPLICABLE PERCENTAGE.—For purposes of this paragraph, the applicable percentage shall be determined in accordance with the following table:

'For taxable years beginning in:	The applicable percentage is:
2001	10 percent
2002	20 percent
2003	30 percent
2004	40 percent
2005 and thereafter	50 percent.

''(3) TREATMENT OF CONTRIBUTIONS.—In the case of any contribution to a plan under paragraph (1)—

''(A) such contribution shall not, with respect to the year in which the contribution is made—

''(i) be subject to any otherwise applicable limitation contained in section 402(g), 402(h), 403(b), 404(a), 404(h), 408, 415, or 457, or

''(ii) be taken into account in applying such limitations to other contributions or benefits under such plan or any other such plan, and

''(B) such plan shall not be treated as failing to meet the requirements of section 401(a)(4), 401(a)(26), 401(k)(3), 401(k)(11), 401(k)(12), 401(m), 403(b)(12), 408(k), 408(p), 408B, 410(b), or 416 by reason of the making of (or the right to make) such contribution.

''(4) ELIGIBLE PARTICIPANT.—For purposes of this subsection, the term 'eligible participant' means, with respect to any plan year, a participant in a plan—

''(A) who has attained the age of 50 before the close of the plan year, and

''(B) with respect to whom no other elective deferrals may (without regard to this subsection) be made to the plan for the plan year by reason of the application of any limitation or other restriction described in paragraph (3) or contained in the terms of the plan.

''(5) OTHER DEFINITIONS AND RULES.—For purposes of this subsection—

''(A) APPLICABLE DOLLAR AMOUNT.—The term 'applicable dollar amount' means, with respect to any year, the amount in effect under section 402(g)(1)(B), 408(p)(2)(E)(i), or 457(e)(15)(A), whichever is applicable to an applicable employer plan, for such year.

''(B) APPLICABLE EMPLOYER PLAN.—The term 'applicable employer plan' means—

''(i) an employees' trust described in section 401(a) which is exempt from tax under section 501(a),

''(ii) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b),

''(iii) an eligible deferred compensation plan under section 457 of an eligible employer as defined in section 457(e)(1)(A), and

''(iv) an arrangement meeting the requirements of section 408 (k) or (p).

''(C) ELECTIVE DEFERRAL.—The term 'elective deferral' has the meaning given such term by subsection (u)(2)(C).

''(D) EXCEPTION FOR SECTION 457 PLANS.—This subsection shall not apply to an applicable employer plan described in subparagraph (B)(iii) for any year to which section 457(b)(3) applies.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions in taxable years beginning after December 31, 2000.

SEC. ___32. EQUITABLE TREATMENT FOR CONTRIBUTIONS OF EMPLOYEES TO DEFINED CONTRIBUTION PLANS.

(a) EQUITABLE TREATMENT.—

(1) IN GENERAL.—Subparagraph (B) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking ''25 percent'' and inserting ''100 percent''.

(2) APPLICATION TO SECTION 403(b).—Section 403(b) is amended—

(A) by striking ''the exclusion allowance for such taxable year'' in paragraph (1) and inserting ''the applicable limit under section 415'',

(B) by striking paragraph (2), and

(C) by inserting ''or any amount received by a former employee after the 5th taxable year following the taxable year in which such employee was terminated'' before the period at the end of the second sentence of paragraph (3).

(3) CONFORMING AMENDMENTS.—

(A) Subsection (f) of section 72 is amended by striking ''section 403(b)(2)(D)(iii))'' and inserting ''section 403(b)(2)(D)(iii), as in effect before the enactment of the Taxpayer Refund and Relief Act of 1999)''.

(B) Section 404(a)(10)(B) is amended by striking '', the exclusion allowance under section 403(b)(2),''.

(C) Section 415(a)(2) is amended by striking '', and the amount of the contribution for such portion shall reduce the exclusion allowance as provided in section 403(b)(2)''.

(D) Section 415(c)(3) is amended by adding at the end the following new subparagraph:

''(E) ANNUITY CONTRACTS.—In the case of an annuity contract described in section 403(b), the term 'participant's compensation' means the participant's includible compensation determined under section 403(b)(3).''.

(E) Section 415(c) is amended by striking paragraph (4).

(F) Section 415(c)(7) is amended to read as follows:

''(7) CERTAIN CONTRIBUTIONS BY CHURCH PLANS NOT TREATED AS EXCEEDING LIMIT.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, at the election of a participant who is an employee of a church or a convention or association of churches, including an organization described in section 414(e)(3)(B)(ii), contributions and other additions for an annuity contract or retirement income account described in section 403(b) with respect to such participant, when expressed as an annual addition to such participant's account, shall be treated as not exceeding the limitation of paragraph (1) if such annual addition is not in excess of $10,000.

''(B) $40,000 AGGREGATE LIMITATION.—The total amount of additions with respect to any participant which may be taken into account for purposes of this subparagraph for all years may not exceed $40,000.

''(C) ANNUAL ADDITION.—For purposes of this paragraph, the term 'annual addition' has the meaning given such term by paragraph (2).''.

(G) Subparagraph (B) of section 402(g)(7) (as redesignated by section 1201) is amended by inserting before the period at the end the following: ''(as in effect before the enactment of the Taxpayer Refund and Relief Act of 1999)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(b) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—

(1) IN GENERAL.—Subsection (k) of section 415 is amended by adding at the end the following new paragraph:

''(4) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—For purposes of this section, any annuity contract described in section 403(b) for the benefit of a participant shall be treated as a defined contribution plan maintained by each employer with respect to which the participant has the control required under subsection (b) or (c) of section 414 (as modified by subsection (h)). For purposes of this section, any contribution by an employer to a simplified employee pension plan for an individual for a taxable year shall be treated as an employer contribution to a defined contribution plan for such individual for such year.''.

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendment made by paragraph (1) shall apply to limitation years beginning after December 31, 1999.

(B) EXCLUSION ALLOWANCE.—Effective for limitation years beginning in 2000, in the case of any annuity contract described in section 403(b) of the Internal Revenue Code of 1986, the amount of the contribution disqualified by reason of section 415(g) of such Code shall reduce the exclusion allowance as provided in section 403(b)(2) of such Code.

(3) MODIFICATION OF 403(b) EXCLUSION ALLOWANCE TO CONFORM TO 415 MODIFICATION.—The Secretary of the Treasury shall modify the regulations regarding the exclusion allowance under section 403(b)(2) of the Internal Revenue Code of 1986 to render void the requirement that contributions to a defined benefit pension plan be treated as previously excluded amounts for purposes of the exclusion allowance. For taxable years beginning after December 31, 1999, such regulations shall be applied as if such requirement were void.

(c) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Subparagraph (B) of section 457(b)(2) (relating to salary limitation on eligible deferred compensation plans) is amended by striking ''33⅓ percent'' and inserting ''100 percent''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2000.

SEC. ___33. FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.

(a) AMENDMENTS TO 1986 CODE.—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking ''A plan'' and inserting ''Except as provided in paragraph (12), a plan'', and

(2) by adding at the end the following:

''(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

''(A) by substituting '3 years' for '5 years' in subparagraph (A), and

''(B) by substituting the following table for the table contained in subparagraph (B):

''Years of service:	The nonforfeitable percentage is:
2	20
3	40
4	60
5	80
6	100.''.

(b) AMENDMENTS TO ERISA.—Section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) is amended—

(1) in paragraph (2), by striking ''A plan'' and inserting ''Except as provided in paragraph (4), a plan'', and

(2) by adding at the end the following:

''(4) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A) of the Internal Revenue Code of 1986), paragraph (2) shall be applied—

''(A) by substituting '3 years' for '5 years' in subparagraph (A), and

''(B) by substituting the following table for the table contained in subparagraph (B):

''Years of service:	The nonforfeitable percentage is:
2	20
3	40
4	60
5	80
6	100.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions for plan years beginning after December 31, 2000.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified by the date of the enactment of this Act, the amendments made by this section shall not apply to contributions on behalf of employees covered by any such agreement for plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of the enactment), or

(ii) January 1, 2001, or

(B) January 1, 2005.

(3) SERVICE REQUIRED.—With respect to any plan, the amendments made by this section shall not apply to any employee before the date that such employee has 1 hour of service under such plan in any plan year to which the amendments made by this section apply.

SEC. ___34. SIMPLIFY AND UPDATE THE MINIMUM DISTRIBUTION RULES.

(a) SIMPLIFICATION AND FINALIZATION OF MINIMUM DISTRIBUTION REQUIREMENTS.—

(1) IN GENERAL.—The Secretary of the Treasury shall—

(A) simplify and finalize the regulations relating to minimum distribution requirements under sections 401(a)(9), 408(a)(6) and (b)(3), 403(b)(10), and 457(d)(2) of the Internal Revenue Code of 1986, and

(B) modify such regulations to—

(i) reflect current life expectancy, and

(ii) revise the required distribution methods so that, under reasonable assumptions, the amount of the required minimum distribution does not decrease over a participant's life expectancy.

(2) FRESH START.—Notwithstanding subparagraph (D) of section 401(a)(9) of such Code, during the first year that regulations are in effect under this subsection, required distributions for future years may be redetermined to reflect changes under such regulations. Such redetermination shall include the opportunity to choose a new designated beneficiary and to elect a new method of calculating life expectancy.

(3) EFFECTIVE DATE FOR REGULATIONS.—Regulations referred to in paragraph (1) shall be effective for years beginning after December 31, 2000, and shall apply in such years without regard to whether an individual had previously begun receiving minimum distributions.

(b) REPEAL OF RULE WHERE DISTRIBUTIONS HAD BEGUN BEFORE DEATH OCCURS.—

(1) IN GENERAL.—Subparagraph (B) of section 401(a)(9) is amended by striking clause (i) and redesignating clauses (ii), (iii), and (iv) as clauses (i), (ii), and (iii), respectively.

(2) CONFORMING CHANGES.—

(A) Clause (i) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking ''FOR OTHER CASES'' in the heading, and

(ii) by striking ''the distribution of the employee's interest has begun in accordance with subparagraph (A)(ii)'' and inserting ''his entire interest has been distributed to him,''.

(B) Clause (ii) of section 401(a)(9)(B) (as so redesignated) is amended by striking ''clause (ii)'' and inserting ''clause (i)''.

(C) Clause (iii) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking ''clause (iii)(I)'' and inserting ''clause (ii)(I)'',

(ii) by striking ''clause (iii)(III)'' in subclause (I) and inserting ''clause (ii)(III)'',

(iii) by striking ''the date on which the employee would have attained the age 70½,'' in subclause (I) and inserting ''April 1 of the calendar year following the calendar year in which the spouse attains 70½,'', and

(iv) by striking ''the distributions to such spouse begin,'' in subclause (II) and inserting ''his entire interest has been distributed to him,''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(c) REDUCTION IN EXCISE TAX.—

(1) IN GENERAL.—Subsection (a) of section 4974 is amended by striking ''50 percent'' and inserting ''10 percent''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2000.

SEC. ___35. CLARIFICATION OF TAX TREATMENT OF DIVISION OF SECTION 457 PLAN BENEFITS UPON DIVORCE.

(a) IN GENERAL.—Section 414(p)(11) (relating to application of rules to governmental and church plans) is amended—

(1) by inserting ''or an eligible deferred compensation plan (within the meaning of section 457(b))'' after ''subsection (e))'', and

(2) in the heading, by striking ''GOVERNMENTAL AND CHURCH PLANS'' and inserting ''CERTAIN OTHER PLANS''.

(b) WAIVER OF CERTAIN DISTRIBUTION REQUIREMENTS.—Paragraph (10) of section 414(p) is amended by striking ''and section 409(d)''

and inserting ''section 409(d), and section 457(d)''.

(c) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—Subsection (p) of section 414 is amended by redesignating paragraph (12) as paragraph (13) and inserting after paragraph (11) the following new paragraph:

''(12) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—If a distribution or payment from an eligible deferred compensation plan described in section 457(b) is made pursuant to a qualified domestic relations order, rules similar to the rules of section 402(e)(1)(A) shall apply to such distribution or payment.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers, distributions, and payments made after December 31, 2000.

SEC. ___36. MODIFICATION OF SAFE HARBOR RELIEF FOR HARDSHIP WITHDRAWALS FROM CASH OR DEFERRED ARRANGEMENTS.

(a) IN GENERAL.—The Secretary of the Treasury shall revise the regulations relating to hardship distributions under section 401(k)(2)(B)(i)(IV) of the Internal Revenue Code of 1986 to provide that the period an employee is prohibited from making elective and employee contributions in order for a distribution to be deemed necessary to satisfy financial need shall be equal to 6 months.

(b) EFFECTIVE DATE.—The revised regulations under subsection (a) shall apply to years beginning after December 31, 2000.

PART III—INCREASING PORTABILITY FOR PARTICIPANTS

SEC. ___41. ROLLOVERS ALLOWED AMONG VARIOUS TYPES OF PLANS.

(a) ROLLOVERS FROM AND TO SECTION 457 PLANS.—

(1) ROLLOVERS FROM SECTION 457 PLANS.—

(A) IN GENERAL.—Section 457(e) (relating to other definitions and special rules) is amended by adding at the end the following:

''(16) ROLLOVER AMOUNTS.—

''(A) GENERAL RULE.—In the case of an eligible deferred compensation plan established and maintained by an employer described in subsection (e)(1)(A), if—

''(i) any portion of the balance to the credit of an employee in such plan is paid to such employee in an eligible rollover distribution (within the meaning of section 402(c)(4) without regard to subparagraph (C) thereof),

''(ii) the employee transfers any portion of the property such employee receives in such distribution to an eligible retirement plan described in section 402(c)(8)(B), and

''(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed,

then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.

''(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) (other than paragraph (4)(C)) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A).

''(C) REPORTING.—Rollovers under this paragraph shall be reported to the Secretary in the same manner as rollovers from qualified retirement plans (as defined in section 4974(c)).''.

(B) DEFERRAL LIMIT DETERMINED WITHOUT REGARD TO ROLLOVER AMOUNTS.—Section 457(b)(2) (defining eligible deferred compensation plan) is amended by inserting ''(other than rollover amounts)'' after ''taxable year''.

(C) DIRECT ROLLOVER.—Paragraph (1) of section 457(d) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by inserting after subparagraph (B) the following:

''(C) in the case of a plan maintained by an employer described in subsection (e)(1)(A), the plan meets requirements similar to the requirements of section 401(a)(31).

Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of transfer.''.

(D) WITHHOLDING.—

(i) Paragraph (12) of section 3401(a) is amended by adding at the end the following:

''(E) under or to an eligible deferred compensation plan which, at the time of such payment, is a plan described in section 457(b) maintained by an employer described in section 457(e)(1)(A); or''.

(ii) Paragraph (3) of section 3405(c) is amended to read as follows:

''(3) ELIGIBLE ROLLOVER DISTRIBUTION.—For purposes of this subsection, the term 'eligible rollover distribution' has the meaning given such term by section 402(f)(2)(A).''.

(iii) LIABILITY FOR WITHHOLDING.—Subparagraph (B) of section 3405(d)(2) is amended by striking ''or'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', or'', and by adding at the end the following:

''(iv) section 457(b).''.

(2) ROLLOVERS TO SECTION 457 PLANS.—

(A) IN GENERAL.—Section 402(c)(8)(B) (defining eligible retirement plan) is amended by striking ''and'' at the end of clause (iii), by striking the period at the end of clause (iv) and inserting '', and'', and by inserting after clause (iv) the following new clause:

''(v) an eligible deferred compensation plan described in section 457(b) of an employer described in section 457(e)(1)(A).''.

(B) SEPARATE ACCOUNTING.—Section 402(c) is amended by adding at the end the following new paragraph:

''(11) SEPARATE ACCOUNTING.—Unless a plan described in clause (v) of paragraph (8)(B) agrees to separately account for amounts rolled into such plan from eligible retirement plans not described in such clause, the plan described in such clause may not accept transfers or rollovers from such retirement plans.''.

(C) 10 PERCENT ADDITIONAL TAX.—Subsection (t) of section 72 (relating to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end the following new paragraph:

''(9) SPECIAL RULE FOR ROLLOVERS TO SECTION 457 PLANS.—For purposes of this subsection, a distribution from an eligible deferred compensation plan (as defined in section 457(b)) of an employer described in section 457(e)(1)(A) shall be treated as a distribution from a qualified retirement plan described in 4974(c)(1) to the extent that such distribution is attributable to an amount transferred to an eligible deferred compensation plan from a qualified retirement plan (as defined in section 4974(c)).''.

(b) ALLOWANCE OF ROLLOVERS FROM AND TO 403 (b) PLANS.—

(1) ROLLOVERS FROM SECTION 403 (b) PLANS.—Section 403(b)(8)(A)(ii) (relating to rollover amounts) is amended by striking ''such distribution'' and all that follows and inserting ''such distribution to an eligible retirement plan described in section 402(c)(8)(B), and''.

(2) ROLLOVERS TO SECTION 403 (b) PLANS.—Section 402(c)(8)(B) (defining eligible retirement plan), as amended by subsection (a), is amended by striking ''and'' at the end of clause (iv), by striking the period at the end of clause (v) and inserting '', and'', and by inserting after clause (v) the following new clause:

''(vi) an annuity contract described in section 403(b).''.

(c) EXPANDED EXPLANATION TO RECIPIENTS OF ROLLOVER DISTRIBUTIONS.—Paragraph (1) of section 402(f) (relating to written explanation to recipients of distributions eligible for rollover treatment) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting '', and'', and by adding at the end the following new subparagraph:

''(E) of the provisions under which distributions from the eligible retirement plan receiving the distribution may be subject to restrictions and tax consequences which are different from those applicable to distributions from the plan making such distribution.''.

(d) SPOUSAL ROLLOVERS.—Section 402(c)(9) (relating to rollover where spouse receives distribution after death of employee) is amended by striking ''; except that'' and all that follows up to the end period.

(e) CONFORMING AMENDMENTS.—

(1) Section 72(o)(4) is amended by striking ''and 408(d)(3)'' and inserting ''403(b)(8), 408(d)(3), and 457(e)(16)''.

(2) Section 219(d)(2) is amended by striking ''or 408(d)(3)'' and inserting ''408(d)(3), or 457(e)(16)''.

(3) Section 401(a)(31)(B) is amended by striking ''and 403(a)(4)'' and inserting '', 403(a)(4), 403(b)(8), and 457(e)(16)''.

(4) Subparagraph (A) of section 402(f)(2) is amended by striking ''or paragraph (4) of section 403(a)'' and inserting '', paragraph (4) of section 403(a), subparagraph (A) of section 403(b)(8), or subparagraph (A) of section 457(e)(16)''.

(5) Paragraph (1) of section 402(f) is amended by striking ''from an eligible retirement plan''.

(6) Subparagraphs (A) and (B) of section 402(f)(1) are amended by striking ''another eligible retirement plan'' and inserting ''an eligible retirement plan''.

(7) Subparagraph (B) of section 403(b)(8) is amended to read as follows:

''(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A), except that section 402(f) shall be applied to the payor in lieu of the plan administrator.''.

(8) Section 408(a)(1) is amended by striking ''or 403(b)(8)'' and inserting '', 403(b)(8), or 457(e)(16)''.

(9) Subparagraphs (A) and (B) of section 415(b)(2) are each amended by striking ''and 408(d)(3)'' and inserting ''403(b)(8), 408(d)(3), and 457(e)(16)''.

(10) Section 415(c)(2) is amended by striking ''and 408(d)(3)'' and inserting ''408(d)(3), and 457(e)(16)''.

(11) Section 4973(b)(1)(A) is amended by striking ''or 408(d)(3)'' and inserting ''408(d)(3), or 457(e)(16)''.

(f) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of any amendment made by this section.

SEC. ___42. ROLLOVERS OF IRAS INTO WORKPLACE RETIREMENT PLANS.

(a) IN GENERAL.—Subparagraph (A) of section 408(d)(3) (relating to rollover amounts) is amended by adding ''or'' at the end of clause (i), by striking clauses (ii) and (iii), and by adding at the end the following:

''(ii) the entire amount received (including money and any other property) is paid into

an eligible retirement plan for the benefit of such individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to this paragraph).

For purposes of clause (ii), the term 'eligible retirement plan' means an eligible retirement plan described in clause (iii), (iv), (v), or (vi) of section 402(c)(8)(B).''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 403(b) is amended by striking ''section 408(d)(3)(A)(iii)'' and inserting ''section 408(d)(3)(A)(ii)''.

(2) Clause (i) of section 408(d)(3)(D) is amended by striking ''(i), (ii), or (iii)'' and inserting ''(i) or (ii)''.

(3) Subparagraph (G) of section 408(d)(3) is amended to read as follows:

''(G) SIMPLE RETIREMENT ACCOUNTS.—In the case of any payment or distribution out of a simple retirement account (as defined in subsection (p)) to which section 72(t)(6) applies, this paragraph shall not apply unless such payment or distribution is paid into another simple retirement account.''.

(c) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of the amendments made by this section.

SEC. ___43. ROLLOVERS OF AFTER-TAX CONTRIBUTIONS.

(a) ROLLOVERS FROM EXEMPT TRUSTS.—Paragraph (2) of section 402(c) (relating to maximum amount which may be rolled over) is amended by adding at the end the following: ''The preceding sentence shall not apply to such distribution to the extent—

''(A) such portion is transferred in a direct trustee-to-trustee transfer to a qualified trust which is part of a plan which is a defined contribution plan and which agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

''(B) such portion is transferred to an eligible retirement plan described in clause (i) or (ii) of paragraph (8)(B).''.

(b) OPTIONAL DIRECT TRANSFER OF ELIGIBLE ROLLOVER DISTRIBUTIONS.—Subparagraph (B) of section 401(a)(31) (relating to limitation) is amended by adding at the end the following: ''The preceding sentence shall not apply to such distribution if the plan to which such distribution is transferred—

''(i) agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

''(ii) is an eligible retirement plan described in clause (i) or (ii) of section 402(c)(8)(B).''.

(c) RULES FOR APPLYING SECTION 72 TO IRAS.—Paragraph (3) of section 408(d) (relating to special rules for applying section 72) is amended by inserting at the end the following:

''(H) APPLICATION OF SECTION 72.—

''(i) IN GENERAL.—If—

''(I) a distribution is made from an individual retirement plan, and

''(II) a rollover contribution is made to an eligible retirement plan described in section 402(c)(8)(B)(iii), (iv), (v), or (vi) with respect to all or part of such distribution,

then, notwithstanding paragraph (2), the rules of clause (ii) shall apply for purposes of applying section 72.

''(ii) APPLICABLE RULES.—In the case of a distribution described in clause (i)—

''(I) section 72 shall be applied separately to such distribution,

''(II) notwithstanding the pro rata allocation of income on, and investment in, the contract to distributions under section 72, the portion of such distribution rolled over to an eligible retirement plan described in clause (i) shall be treated as from income on the contract (to the extent of the aggregate income on the contract from all individual retirement plans of the distributee), and

''(III) appropriate adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2000.

SEC. ___44. HARDSHIP EXCEPTION TO 60-DAY RULE.

(a) EXEMPT TRUSTS.—Paragraph (3) of section 402(c) (relating to transfer must be made within 60 days of receipt) is amended to read as follows:

''(3) TRANSFER MUST BE MADE WITHIN 60 DAYS OF RECEIPT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), paragraph (1) shall not apply to any transfer of a distribution made after the 60th day following the day on which the distributee received the property distributed.

''(B) HARDSHIP EXCEPTION.—The Secretary may waive the 60-day requirement under subparagraph (A) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.''.

(b) IRAS.—Paragraph (3) of section 408(d) (relating to rollover contributions), as amended by section ___43, is amended by adding after subparagraph (H) the following new subparagraph:

''(I) WAIVER OF 60-DAY REQUIREMENT.—The Secretary may waive the 60-day requirement under subparagraphs (A) and (D) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

SEC. ___45. TREATMENT OF FORMS OF DISTRIBUTION.

(a) PLAN TRANSFERS.—

(1) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Paragraph (6) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended by adding at the end the following:

''(D) PLAN TRANSFERS.—

''(i) A defined contribution plan (in this subparagraph referred to as the 'transferee plan') shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the 'transferor plan') to the extent that—

''(I) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan,

''(II) the terms of both the transferor plan and the transferee plan authorize the transfer described in subclause (I),

''(III) the transfer described in subclause (I) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan,

''(IV) the election described in subclause (III) was made after the participant or beneficiary received a notice describing the consequences of making the election,

''(V) if the transferor plan provides for an annuity as the normal form of distribution under the plan in accordance with section 417, the transfer is made with the consent of the participant's spouse (if any), and such consent meets requirements similar to the requirements imposed by section 417(a)(2), and

''(VI) the transferee plan allows the participant or beneficiary described in clause (iii) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

''(ii) Clause (i) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.

''(E) ELIMINATION OF FORM OF DISTRIBUTION.—Except to the extent provided in regulations, a defined contribution plan shall not be treated as failing to meet the requirements of this section merely because of the elimination of a form of distribution previously available thereunder. This subparagraph shall not apply to the elimination of a form of distribution with respect to any participant unless—

''(i) a single sum payment is available to such participant at the same time or times as the form of distribution being eliminated, and

''(ii) such single sum payment is based on the same or greater portion of the participant's account as the form of distribution being eliminated.''.

(2) AMENDMENT TO ERISA.—Section 204(g) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)) is amended by adding at the end the following:

''(4)(A) A defined contribution plan (in this subparagraph referred to as the 'transferee plan') shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the 'transferor plan') to the extent that—

''(i) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan;

''(ii) the terms of both the transferor plan and the transferee plan authorize the transfer described in clause (i);

''(iii) the transfer described in clause (i) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan;

''(iv) the election described in clause (iii) was made after the participant or beneficiary received a notice describing the consequences of making the election;

''(v) if the transferor plan provides for an annuity as the normal form of distribution under the plan in accordance with section 205, the transfer is made with the consent of the participant's spouse (if any), and such consent meets requirements similar to the requirements imposed by section 205(c)(2); and

''(vi) the transferee plan allows the participant or beneficiary described in clause (iii) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

''(B) Subparagraph (A) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.

''(5) ELIMINATION OF FORM OF DISTRIBUTION.—Except to the extent provided in regulations, a defined contribution plan shall not be treated as failing to meet the requirements of this section merely because of the elimination of a form of distribution previously available thereunder. This paragraph shall not apply to the elimination of a form of distribution with respect to any participant unless—

''(A) a single sum payment is available to such participant at the same time or times as the form of distribution being eliminated; and

''(B) such single sum payment is based on the same or greater portion of the participant's account as the form of distribution being eliminated.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(b) REGULATIONS.—

(1) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—The last sentence of paragraph (6)(B) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended to read as follows: ''The Secretary shall by regulations provide that this subparagraph shall not apply to any plan amendment that does not adversely affect the rights of participants in a material manner.''.

(2) AMENDMENT TO ERISA.—The last sentence of section 204(g)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)(2)) is amended to read as follows: ''The Secretary of the Treasury shall by regulations provide that this paragraph shall not apply to any plan amendment that does not adversely affect the rights of participants in a material manner.''.

(3) SECRETARY DIRECTED.—Not later than December 31, 2001, the Secretary of the Treasury is directed to issue final regulations under section 411(d)(6) of the Internal Revenue Code of 1986 and section 204(g) of the Employee Retirement Income Security Act of 1974, including the regulations required by the amendments made by this subsection. Such regulations shall apply to plan years beginning after December 31, 2001, or such earlier date as is specified by the Secretary of the Treasury.

SEC. ___46. RATIONALIZATION OF RESTRICTIONS ON DISTRIBUTIONS.

(a) MODIFICATION OF SAME DESK EXCEPTION.—

(1) SECTION 401(k).—

(A) Section 401(k)(2)(B)(i)(I) (relating to qualified cash or deferred arrangements) is amended by striking ''separation from service'' and inserting ''severance from employment''.

(B) Subparagraph (A) of section 401(k)(10) (relating to distributions upon termination of plan or disposition of assets or subsidiary) is amended to read as follows:

''(A) IN GENERAL.—An event described in this subparagraph is the termination of the plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan as defined in section 4975(e)(7)).''.

(C) Section 401(k)(10) is amended—

(i) in subparagraph (B)—

(I) by striking ''An event'' in clause (i) and inserting ''A termination'', and

(II) by striking ''the event'' in clause (i) and inserting ''the termination'',

(ii) by striking subparagraph (C), and

(iii) by striking ''OR DISPOSITION OF ASSETS OR SUBSIDIARY'' in the heading.

(2) SECTION 403(b).—

(A) Paragraphs (7)(A)(ii) and (11)(A) of section 403(b) are each amended by striking ''separates from service'' and inserting ''has a severance from employment''.

(B) The heading for paragraph (11) of section 403(b) is amended by striking ''SEPARATION FROM SERVICE'' and inserting ''SEVERANCE FROM EMPLOYMENT''.

(3) SECTION 457.—Clause (ii) of section 457(d)(1)(A) is amended by striking ''is separated from service'' and inserting ''has a severance from employment''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

SEC. ___47. PURCHASE OF SERVICE CREDIT IN GOVERNMENTAL DEFINED BENEFIT PLANS.

(a) 403(b) PLANS.—Subsection (b) of section 403 is amended by adding at the end the following new paragraph:

''(13) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

''(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

''(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.''.

(b) 457 PLANS.—

(1) Subsection (e) of section 457 is amended by adding after paragraph (16) the following new paragraph:

''(17) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

''(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

''(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.''.

(2) Section 457(b)(2) is amended by striking ''(other than rollover amounts)'' and inserting ''(other than rollover amounts and amounts received in a transfer referred to in subsection (e)(17))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to trustee-to-trustee transfers after December 31, 2000.

SEC. ___48. EMPLOYERS MAY DISREGARD ROLLOVERS FOR PURPOSES OF CASH-OUT AMOUNTS.

(a) QUALIFIED PLANS.—

(1) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Section 411(a)(11) (relating to restrictions on certain mandatory distributions) is amended by adding at the end the following:

''(D) SPECIAL RULE FOR ROLLOVER CONTRIBUTIONS.—A plan shall not fail to meet the requirements of this paragraph if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).''.

(2) AMENDMENT TO ERISA.—Section 203(e) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended by adding at the end the following:

''(4) A plan shall not fail to meet the requirements of this subsection if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16) of the Internal Revenue Code of 1986.''.

(b) ELIGIBLE DEFERRED COMPENSATION PLANS.—Clause (i) of section 457(e)(9)(A) is amended by striking ''such amount'' and inserting ''the portion of such amount which is not attributable to rollover contributions (as defined in section 411(a)(11)(D))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

SEC. ___49. MINIMUM DISTRIBUTION AND INCLUSION REQUIREMENTS FOR SECTION 457 PLANS.

(a) MINIMUM DISTRIBUTION REQUIREMENTS.—Paragraph (2) of section 457(d) (relating to distribution requirements) is amended to read as follows:

''(2) MINIMUM DISTRIBUTION REQUIREMENTS.—A plan meets the minimum distribution requirements of this paragraph if such plan meets the requirements of section 401(a)(9).''.

(b) INCLUSION IN GROSS INCOME.—

(1) YEAR OF INCLUSION.—Subsection (a) of section 457 (relating to year of inclusion in gross income) is amended to read as follows:

''(a) YEAR OF INCLUSION IN GROSS INCOME.—

''(1) IN GENERAL.—Any amount of compensation deferred under an eligible deferred compensation plan, and any income attributable to the amounts so deferred, shall be includible in gross income only for the taxable year in which such compensation or other income—

''(A) is paid to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(A), and

''(B) is paid or otherwise made available to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(B).

''(2) SPECIAL RULE FOR ROLLOVER AMOUNTS.—To the extent provided in section 72(t)(9), section 72(t) shall apply to any amount includible in gross income under this subsection.''.

(2) CONFORMING AMENDMENTS.—

(A) So much of paragraph (9) of section 457(e) as precedes subparagraph (A) is amended to read as follows:

''(9) BENEFITS OF TAX EXEMPT ORGANIZATION PLANS NOT TREATED AS MADE AVAILABLE BY REASON OF CERTAIN ELECTIONS, ETC.—In the case of an eligible deferred compensation plan of an employer described in subsection (e)(1)(B)—''.

(B) Section 457(d) is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULE FOR GOVERNMENT PLAN.—An eligible deferred compensation plan of an employer described in subsection (e)(1)(A) shall not be treated as failing to meet the requirements of this subsection solely by reason of making a distribution described in subsection (e)(9)(A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

PART IV—STRENGTHENING PENSION SECURITY AND ENFORCEMENT

SEC. ___51. REPEAL OF 150 PERCENT OF CURRENT LIABILITY FUNDING LIMIT.

(a) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Section 412(c)(7) (relating to full-funding limitation) is amended—

(1) by striking ''the applicable percentage'' in subparagraph (A)(i)(I) and inserting ''in the case of plan years beginning before January 1, 2004, the applicable percentage'', and

(2) by amending subparagraph (F) to read as follows:

''(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

"In the case of any plan year beginning in—	The applicable percentage is—
2001	160
2002	165
2003	170.''.

(b) AMENDMENT TO ERISA.—Section 302(c)(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(c)(7)) is amended—

(1) by striking ''the applicable percentage'' in subparagraph (A)(i)(I) and inserting ''in the case of plan years beginning before January 1, 2004, the applicable percentage'', and

(2) by amending subparagraph (F) to read as follows:

''(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

"In the case of any plan year beginning in—	The applicable percentage is—
2001	160
2002	165
2003	170.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. ___52. MAXIMUM CONTRIBUTION DEDUCTION RULES MODIFIED AND APPLIED TO ALL DEFINED BENEFIT PLANS.

(a) IN GENERAL.—Subparagraph (D) of section 404(a)(1) (relating to special rule in case of certain plans) is amended to read as follows:

''(D) SPECIAL RULE IN CASE OF CERTAIN PLANS.—

''(i) IN GENERAL.—In the case of any defined benefit plan, except as provided in regulations, the maximum amount deductible under the limitations of this paragraph shall not be less than the unfunded termination liability (determined as if the proposed termination date referred to in section 4041(b)(2)(A)(i)(II) of the Employee Retirement Income Security Act of 1974 were the last day of the plan year).

''(ii) PLANS WITH LESS THAN 100 PARTICIPANTS.—For purposes of this subparagraph, in the case of a plan which has less than 100 participants for the plan year, termination liability shall not include the liability attributable to benefit increases for highly compensated employees (as defined in section 414(q)) resulting from a plan amendment which is made or becomes effective, whichever is later, within the last 2 years before the termination date.

''(iii) RULE FOR DETERMINING NUMBER OF PARTICIPANTS.—For purposes of determining whether a plan has more than 100 participants, all defined benefit plans maintained by the same employer (or any member of such employer's controlled group (within the meaning of section 412(l)(8)(C))) shall be treated as one plan, but only employees of such member or employer shall be taken into account.

''(iv) PLANS ESTABLISHED AND MAINTAIN BY PROFESSIONAL SERVICE EMPLOYERS.—Clause (i) shall not apply to a plan described in section 4021(b)(13) of the Employee Retirement Income Security Act of 1974.''.

(b) CONFORMING AMENDMENT.—Paragraph (6) of section 4972(c) is amended to read as follows:

''(6) EXCEPTIONS.—In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account so much of the contributions to one or more defined contribution plans which are not deductible when contributed solely because of section 404(a)(7) as does not exceed the greater of—

''(A) the amount of contributions not in excess of 6 percent of compensation (within the meaning of section 404(a)) paid or accrued (during the taxable year for which the contributions were made) to beneficiaries under the plans, or

''(B) the sum of—

''(i) the amount of contributions described in section 401(m)(4)(A), plus

''(ii) the amount of contributions described in section 402(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. ___53. EXCISE TAX RELIEF FOR SOUND PENSION FUNDING.

(a) IN GENERAL.—Subsection (c) of section 4972 (relating to nondeductible contributions) is amended by adding at the end the following new paragraph:

''(7) DEFINED BENEFIT PLAN EXCEPTION.—In determining the amount of nondeductible contributions for any taxable year, an employer may elect for such year not to take into account any contributions to a defined benefit plan except to the extent that such contributions exceed the full-funding limitation (as defined in section 412(c)(7), determined without regard to subparagraph (A)(i)(I) thereof). For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to defined contribution plans and then to amounts described in this paragraph. If an employer makes an election under this paragraph for a taxable year, paragraph (6) shall not apply to such employer for such taxable year.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. ___54. EXCISE TAX ON FAILURE TO PROVIDE NOTICE BY DEFINED BENEFIT PLANS SIGNIFICANTLY REDUCING FUTURE BENEFIT ACCRUALS.

(a) AMENDMENT TO 1986 CODE.—Chapter 43 of subtitle D (relating to qualified pension, etc., plans) is amended by adding at the end the following new section:

"SEC. 4980F. FAILURE OF APPLICABLE PLANS REDUCING BENEFIT ACCRUALS TO SATISFY NOTICE REQUIREMENTS.

''(a) IMPOSITION OF TAX.—There is hereby imposed a tax on the failure of any applicable pension plan to meet the requirements of subsection (e) with respect to any applicable individual.

''(b) AMOUNT OF TAX.—

''(1) IN GENERAL.—The amount of the tax imposed by subsection (a) on any failure with respect to any applicable individual shall be $100 for each day in the noncompliance period with respect to such failure.

''(2) NONCOMPLIANCE PERIOD.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period beginning on the date the failure first occurs and ending on the date the failure is corrected.

''(c) LIMITATIONS ON AMOUNT OF TAX.—

''(1) OVERALL LIMITATION FOR UNINTENTIONAL FAILURES.—In the case of failures that are due to reasonable cause and not to willful neglect, the tax imposed by subsection (a) for failures during the taxable year of the employer (or, in the case of a multiemployer plan, the taxable year of the trust forming part of the plan) shall not exceed $500,000. For purposes of the preceding sentence, all multiemployer plans of which the same trust forms a part shall be treated as one plan. For purposes of this paragraph, if not all persons who are treated as a single employer for purposes of this section have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

''(2) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

''(d) LIABILITY FOR TAX.—The following shall be liable for the tax imposed by subsection (a):

''(1) In the case of a plan other than a multiemployer plan, the employer.

''(2) In the case of a multiemployer plan, the plan.

''(e) NOTICE REQUIREMENTS FOR PLANS SIGNIFICANTLY REDUCING BENEFIT ACCRUALS.—

''(1) IN GENERAL.—If an applicable pension plan is amended to provide for a significant reduction in the rate of future benefit accrual, the plan administrator shall provide written notice to each applicable individual (and to each employee organization representing applicable individuals).

''(2) NOTICE.—The notice required by paragraph (1) shall be written in a manner calculated to be understood by the average plan participant and shall provide sufficient information (as determined in accordance with regulations prescribed by the Secretary) to allow applicable individuals to understand the effect of the plan amendment.

''(3) TIMING OF NOTICE.—Except as provided in regulations, the notice required by paragraph (1) shall be provided within a reasonable time before the effective date of the plan amendment.

''(4) DESIGNEES.—Any notice under paragraph (1) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

''(5) NOTICE BEFORE ADOPTION OF AMENDMENT.—A plan shall not be treated as failing to meet the requirements of paragraph (1) merely because notice is provided before the adoption of the plan amendment if no material modification of the amendment occurs before the amendment is adopted.

''(f) APPLICABLE INDIVIDUAL; APPLICABLE PENSION PLAN.—For purposes of this section—

''(1) APPLICABLE INDIVIDUAL.—The term 'applicable individual' means, with respect to any plan amendment—

''(A) any participant in the plan, and

''(B) any beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under an applicable qualified domestic relations order (within the meaning of section 414(p)(1)(A)),

who may reasonably be expected to be affected by such plan amendment.

''(2) APPLICABLE PENSION PLAN.—The term 'applicable pension plan' means—

''(A) any defined benefit plan, or

''(B) an individual account plan which is subject to the funding standards of section 412,

which had 100 or more participants who had accrued a benefit, or with respect to whom contributions were made, under the plan (whether or not vested) as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective. Such term shall not include a governmental plan (within the meaning of section 414(d)) or a church plan (within the meaning of section 414(e)) with respect to which the election provided by section 410(d) has not been made.''.

(b) AMENDMENT TO ERISA.—Section 204(h) of the Employee Retirement Income Security Act or 1974 (29 U.S.C. 1054(h)) is amended by adding at the end the following new paragraph:

''(3)(A) A plan to which paragraph (1) applies shall not be treated as meeting the requirements of such paragraph unless, in addition to any notice required to be provided to an individual or organization under such paragraph, the plan administrator provides the notice described in subparagraph (B).

''(B) The notice required by subparagraph (A) shall be written in a manner calculated to be understood by the average plan participant and shall provide sufficient information (as determined in accordance with regulations prescribed by the Secretary of the Treasury) to allow individuals to understand the effect of the plan amendment.

''(C) Except as provided in regulations prescribed by the Secretary of the Treasury, the notice required by subparagraph (A) shall be provided within a reasonable time before the effective date of the plan amendment.

''(D) A plan shall not be treated as failing to meet the requirements of subparagraph (A) merely because notice is provided before the adoption of the plan amendment if no material modification of the amendment occurs before the amendment is adopted.''.

(c) CLERICAL AMENDMENT.—The table of sections for chapter 43 of subtitle D is amended by adding at the end the following new item:

''Sec. 4980F. Failure of applicable plans reducing benefit accruals to satisfy notice requirements.''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan amendments taking effect on or after the date of the enactment of this Act.

(2) TRANSITION.—Until such time as the Secretary of the Treasury issues regulations under sections 4980F(e)(2) and (3) of the Internal Revenue Code of 1986 and section 204(h)(3) of the Employee Retirement Income Security Act of 1974 (as added by the amendments made by this section), a plan shall be treated as meeting the requirements of such sections if it makes a good faith effort to comply with such requirements.

(3) SPECIAL RULE.—The period for providing any notice required by the amendments made by this section shall not end before the date which is 3 months after the date of the enactment of this Act.

SEC. ___55. PROTECTION OF INVESTMENT OF EMPLOYEE CONTRIBUTIONS TO 401(K) PLANS.

(a) IN GENERAL.—Section 1524(b) of the Taxpayer Relief Act of 1997 is amended to read as follows:

''(b) EFFECTIVE DATE.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to elective deferrals for plan years beginning after December 31, 1998.

''(2) NONAPPLICATION TO PREVIOUSLY ACQUIRED PROPERTY.—The amendments made by this section shall not apply to any elective deferral which is invested in assets consisting of qualifying employer securities, qualifying employer real property, or both, if such assets were acquired before January 1, 1999.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply as if included in the provision of the Taxpayer Relief Act of 1997 to which it relates.

SEC. ___56. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) COMPENSATION LIMIT.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

''(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL AND MULTIEMPLOYER PLANS.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

PART V—REDUCING REGULATORY BURDENS

SEC. ___61. MODIFICATION OF TIMING OF PLAN VALUATIONS.

(a) IN GENERAL.—Section 412(c)(9) (relating to annual valuation) is amended—

(1) by striking ''For purposes'' and inserting the following:

''(A) IN GENERAL.—For purposes'', and

(2) by adding at the end the following:

''(B) ELECTION TO USE PRIOR YEAR VALUATION.—

''(i) IN GENERAL.—Except as provided in clause (ii), if, for any plan year—

''(I) an election is in effect under this subparagraph with respect to a plan, and

''(II) the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)), determined as of the valuation date for the preceding plan year,

then this section shall be applied using the information available as of such valuation date.

''(ii) EXCEPTIONS.—

''(I) ACTUAL VALUATION EVERY 3 YEARS.—Clause (i) shall not apply for more than 2 consecutive plan years and valuation shall be under subparagraph (A) with respect to any plan year to which clause (i) does not apply by reason of this subclause.

''(II) REGULATIONS.—Clause (i) shall not apply to the extent that more frequent valuations are required under the regulations under subparagraph (A).

''(iii) ADJUSTMENTS.—Information under clause (i) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

''(iv) ELECTION.—An election under this subparagraph, once made, shall be irrevocable without the consent of the Secretary.''.

(b) AMENDMENTS TO ERISA.—Paragraph (9) of section 302(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended—

(1) by inserting ''(A)'' after ''(9)'', and

(2) by adding at the end the following:

''(B)(i) Except as provided in clause (ii), if, for any plan year—

''(I) an election is in effect under this subparagraph with respect to a plan, and

''(II) the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)), determined as of the valuation date for the preceding plan year,

then this section shall be applied using the information available as of such valuation date.

''(ii)(I) Clause (i) shall not apply for more than 2 consecutive plan years and valuation shall be under subparagraph (A) with respect to any plan year to which clause (i) does not apply by reason of this subclause.

''(II) Clause (i) shall not apply to the extent that more frequent valuations are required under the regulations under subparagraph (A).

''(iii) Information under clause (i) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

''(iv) An election under this subparagraph, once made, shall be irrevocable without the consent of the Secretary of the Treasury.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. ___62. ESOP DIVIDENDS MAY BE REINVESTED WITHOUT LOSS OF DIVIDEND DEDUCTION.

(a) IN GENERAL.—Section 404(k)(2)(A) (defining applicable dividends) is amended by striking ''or'' at the end of clause (ii), by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

''(iii) is, at the election of such participants or their beneficiaries—

''(I) payable as provided in clause (i) or (ii), or

''(II) paid to the plan and reinvested in qualifying employer securities, or''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ___63. REPEAL OF TRANSITION RULE RELATING TO CERTAIN HIGHLY COMPENSATED EMPLOYEES.

(a) IN GENERAL.—Paragraph (4) of section 1114(c) of the Tax Reform Act of 1986 is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to plan years beginning after December 31, 1999.

SEC. ___64. EMPLOYEES OF TAX-EXEMPT ENTITIES.

(a) IN GENERAL.—The Secretary of the Treasury shall modify Treasury Regulations section 1.410(b)–6(g) to provide that employees of an organization described in section 403(b)(1)(A)(i) of the Internal Revenue Code of 1986 who are eligible to make contributions under section 403(b) of such Code pursuant to a salary reduction agreement may be treated as excludable with respect to a plan under section 401 (k) or (m) of such Code that is provided under the same general arrangement as a plan under such section 401(k), if—

(1) no employee of an organization described in section 403(b)(1)(A)(i) of such Code is eligible to participate in such section 401(k) plan or section 401(m) plan, and

(2) 95 percent of the employees who are not employees of an organization described in section 403(b)(1)(A)(i) of such Code are eligible to participate in such plan under such section 401 (k) or (m).

(b) EFFECTIVE DATE.—The modification required by subsection (a) shall apply as of the same date set forth in section 1426(b) of the Small Business Job Protection Act of 1996.

SEC. ___65. CLARIFICATION OF TREATMENT OF EMPLOYER-PROVIDED RETIREMENT ADVICE.

(a) IN GENERAL.—Subsection (a) of section 132 (relating to exclusion from gross income) is amended by striking ''or'' at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting '', or'', and by adding at the end the following new paragraph:

''(7) qualified retirement planning services.''.

(b) QUALIFIED RETIREMENT PLANNING SERVICES DEFINED.—Section 132 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following:

''(m) QUALIFIED RETIREMENT PLANNING SERVICES.—

''(1) IN GENERAL.—For purposes of this section, the term 'qualified retirement planning services' means any retirement planning service provided to an employee and his spouse by an employer maintaining a qualified employer plan.

''(2) NONDISCRIMINATION RULE.—Subsection (a)(7) shall apply in the case of highly compensated employees only if such services are available on substantially the same terms to each member of the group of employees normally provided education and information regarding the employer's qualified employer plan.

''(3) QUALIFIED EMPLOYER PLAN.—For purposes of this subsection, the term 'qualified employer plan' means a plan, contract, pension, or account described in section 219(g)(5).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. ___66. REPORTING SIMPLIFICATION.

(a) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR OWNERS AND THEIR SPOUSES.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the requirements for filing annual returns with respect to one-participant retirement plans to ensure that such plans with assets of $250,000 or less as of the close of the plan year need not file a return for that year.

(2) ONE-PARTICIPANT RETIREMENT PLAN DEFINED.—For purposes of this subsection, the term ''one-participant retirement plan'' means a retirement plan that—

(A) on the first day of the plan year—

(i) covered only the employer (and the employer's spouse) and the employer owned the entire business (whether or not incorporated), or

(ii) covered only one or more partners (and their spouses) in a business partnership (including partners in an S or C corporation),

(B) meets the minimum coverage requirements of section 410(b) of the Internal Revenue Code of 1986 without being combined with any other plan of the business that covers the employees of the business,

(C) does not provide benefits to anyone except the employer (and the employer's spouse) or the partners (and their spouses),

(D) does not cover a business that is a member of an affiliated service group, a controlled group of corporations, or a group of businesses under common control, and

(E) does not cover a business that leases employees.

(3) OTHER DEFINITIONS.—Terms used in paragraph (2) which are also used in section 414 of the Internal Revenue Code of 1986 shall have the respective meanings given such terms by such section.

(b) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR PLANS WITH FEWER THAN 25 EMPLOYEES.—In the case of a retirement plan which covers less than 25 employees on the first day of the plan year and meets the requirements described in subparagraphs (B), (D), and (E) of subsection (a)(2), the Secretary of the Treasury shall provide for the filing of a simplified annual return that is substantially similar to the annual return required to be filed by a one-participant retirement plan.

(c) EFFECTIVE DATE.—The provisions of this section shall take effect on January 1, 2001.

SEC. ___67. IMPROVEMENT OF EMPLOYEE PLANS COMPLIANCE RESOLUTION SYSTEM.

The Secretary of the Treasury shall continue to update and improve the Employee Plans Compliance Resolution System (or any successor program) giving special attention to—

(1) increasing the awareness and knowledge of small employers concerning the availability and use of the program,

(2) taking into account special concerns and circumstances that small employers face with respect to compliance and correction of compliance failures,

(3) extending the duration of the self-correction period under the Administrative Policy Regarding Self-Correction for significant compliance failures,

(4) expanding the availability to correct insignificant compliance failures under the Administrative Policy Regarding Self-Correction during audit, and

(5) assuring that any tax, penalty, or sanction that is imposed by reason of a compliance failure is not excessive and bears a reasonable relationship to the nature, extent, and severity of the failure.

SEC. ___68. MODIFICATION OF EXCLUSION FOR EMPLOYER PROVIDED TRANSIT PASSES.

(a) IN GENERAL.—Section 132(f)(3) (relating to cash reimbursements) is amended by striking the last sentence.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. ___69. REPEAL OF THE MULTIPLE USE TEST.

(a) IN GENERAL.—Paragraph (9) of section 401(m) is amended to read as follows:

''(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection and subsection (k), including regulations permitting appropriate aggregation of plans and contributions.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

SEC. ___70. FLEXIBILITY IN NONDISCRIMINATION, COVERAGE, AND LINE OF BUSINESS RULES.

(a) NONDISCRIMINATION.—

(1) IN GENERAL.—The Secretary of the Treasury shall, by regulation, provide that a plan shall be deemed to satisfy the requirements of section 401(a)(4) of the Internal Revenue Code of 1986 if such plan satisfies the facts and circumstances test under section 401(a)(4) of such Code, as in effect before January 1, 1994, but only if—

(A) the plan satisfies conditions prescribed by the Secretary to appropriately limit the availability of such test, and

(B) the plan is submitted to the Secretary for a determination of whether it satisfies such test.

Subparagraph (B) shall only apply to the extent provided by the Secretary.

(2) EFFECTIVE DATES.—

(A) REGULATIONS.—The regulation required by paragraph (1) shall apply to years beginning after December 31, 2000.

(B) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under paragraph (1)(A) shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(b) COVERAGE TEST.—

(1) IN GENERAL.—Section 410(b)(1) (relating to minimum coverage requirements) is amended by adding at the end the following:

''(D) In the case that the plan fails to meet the requirements of subparagraphs (A), (B) and (C), the plan—

''(i) satisfies subparagraph (B), as in effect immediately before the enactment of the Tax Reform Act of 1986,

''(ii) is submitted to the Secretary for a determination of whether it satisfies the requirement described in clause (i), and

''(iii) satisfies conditions prescribed by the Secretary by regulation that appropriately limit the availability of this subparagraph.

Clause (ii) shall apply only to the extent provided by the Secretary.''.

(2) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendment made by paragraph (1) shall apply to years beginning after December 31, 2000.

(B) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under regulations prescribed by the Secretary under section 410(b)(1)(D) of the Internal Revenue Code of 1986 shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(c) LINE OF BUSINESS RULES.—The Secretary of the Treasury shall, on or before December 31, 2000, modify the existing regulations issued under section 414(r) of the Internal Revenue Code of 1986 in order to expand (to the extent that the Secretary determines appropriate) the ability of a pension plan to demonstrate compliance with the line of business requirements based upon the facts and circumstances surrounding the design and operation of the plan, even though the plan is unable to satisfy the mechanical tests currently used to determine compliance.

SEC. ___71. EXTENSION TO INTERNATIONAL ORGANIZATIONS OF MORATORIUM ON APPLICATION OF CERTAIN NONDISCRIMINATION RULES APPLICABLE TO STATE AND LOCAL PLANS.

(a) IN GENERAL.—Subparagraph (G) of section 401(a)(5), subparagraph (H) of section 401(a)(26), subparagraph (G) of section 401(k)(3), and paragraph (2) of section 1505(d) of the Taxpayer Relief Act of 1997 are each amended by inserting ''or by an international organization which is described in section 414(d)'' after ''or instrumentality thereof)''.

(b) CONFORMING AMENDMENTS.—

(1) The headings for subparagraph (G) of section 401(a)(5) and subparagraph (H) of section 401(a)(26) are each amended by inserting ''AND INTERNATIONAL ORGANIZATION'' after ''GOVERNMENTAL''.

(2) Subparagraph (G) of section 401(k)(3) is amended by inserting ''STATE AND LOCAL GOVERNMENTAL AND INTERNATIONAL ORGANIZATION PLANS.—'' after ''(G)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

PART VI—PLAN AMENDMENTS

SEC. ___81. PROVISIONS RELATING TO PLAN AMENDMENTS.

(a) IN GENERAL.—If this section applies to any plan or contract amendment—

(1) such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subsection (b)(2)(A), and

(2) such plan shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 by reason of such amendment.

(b) AMENDMENTS TO WHICH SECTION APPLIES.—

(1) IN GENERAL.—This section shall apply to any amendment to any plan or annuity contract which is made—

(A) pursuant to any amendment made by this title, or pursuant to any regulation issued under this title, and

(B) on or before the last day of the first plan year beginning on or after January 1, 2003.

In the case of a government plan (as defined in section 414(d) of the Internal Revenue Code of 1986), this paragraph shall be applied by substituting ''2005'' for ''2003''.

(2) CONDITIONS.—This section shall not apply to any amendment unless—

(A) during the period—

(i) beginning on the date the legislative or regulatory amendment described in paragraph (1)(A) takes effect (or in the case of a

plan or contract amendment not required by such legislative or regulatory amendment, the effective date specified by the plan), and

(ii) ending on the date described in paragraph (1)(B) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect, and

(B) such plan or contract amendment applies retroactively for such period.

Subtitle D—Revenue Provisions

SEC. ___91. MODIFICATION OF INSTALLMENT METHOD AND REPEAL OF INSTALLMENT METHOD FOR ACCRUAL METHOD TAXPAYERS.

(a) REPEAL OF INSTALLMENT METHOD FOR ACCRUAL BASIS TAXPAYERS.—

(1) IN GENERAL.—Subsection (a) of section 453 (relating to installment method) is amended to read as follows:

''(a) USE OF INSTALLMENT METHOD.—

''(1) IN GENERAL.—Except as otherwise provided in this section, income from an installment sale shall be taken into account for purposes of this title under the installment method.

''(2) ACCRUAL METHOD TAXPAYER.—The installment method shall not apply to income from an installment sale if such income would be reported under an accrual method of accounting without regard to this section. The preceding sentence shall not apply to a disposition described in subparagraph (A) or (B) of subsection (l)(2).''.

(2) CONFORMING AMENDMENTS.—Sections 453(d)(1), 453(i)(1), and 453(k) of such Code are each amended by striking ''(a)'' each place it appears and inserting ''(a)(1)''.

(b) MODIFICATION OF PLEDGE RULES.—Paragraph (4) of section 453A(d) (relating to pledges, etc., of installment obligations) is amended by adding at the end the following: ''A payment shall be treated as directly secured by an interest in an installment obligation to the extent an arrangement allows the taxpayer to satisfy all or a portion of the indebtedness with the installment obligation.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or other dispositions occurring on or after the date of the enactment of this Act.

SEC. ___92. MODIFICATION OF ESTIMATED TAX RULES FOR CLOSELY HELD REAL ESTATE INVESTMENT TRUSTS.

(a) IN GENERAL.—Subsection (e) of section 6655 (relating to estimated tax by corporations) is amended by adding at the end the following new paragraph:

''(5) TREATMENT OF CERTAIN REIT DIVIDENDS.—

''(A) IN GENERAL.—Any dividend received from a closely held real estate investment trust by any person which owns (after application of subsections (d)(5) and (l)(3)(B) of section 856) 10 percent or more (by vote or value) of the stock or beneficial interests in the trust shall be taken into account in computing annualized income installments under paragraph (2) in a manner similar to the manner under which partnership income inclusions are taken into account.

''(B) CLOSELY HELD REIT.—For purposes of subparagraph (A), the term 'closely held real estate investment trust' means a real estate investment trust with respect to which 5 or fewer persons own (after application of subsections (d)(5) and (l)(3)(B) of section 856) 50 percent or more (by vote or value) of the stock or beneficial interests in the trust.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to estimated tax payments due on or after November 15, 1999.

HUTCHISON (AND BROWNBACK) AMENDMENTS NOS. 2548–2549

(Ordered to lie on the table.)

Mrs. HUTCHISON (for herself and Mr. BROWNBACK) submitted two amendments intended to be proposed by them to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2548

At the appropriate place in the bill, add the following:

SEC. . HOMESTEAD EXEMPTION OPT OUT.

The provisions relating to a Federal homestead exemption shall not apply to debtors if applicable State law provides by statute that such provisions shall not apply to debtors and shall not take effect in any State before the end of the first regular session of the State legislature following the date of enactment of this Act.

AMENDMENT NO. 2549

At the end of the amendment add the following: ''The preceding provisions relating to a limitation on State homestead exemptions shall not apply to debtors if applicable State law provides by statute that such provisions shall not apply to debtors and shall not take effect in any State before the end of the first regular session of the State legislature following the date of enactment of this Act.''.

HUTCHISON AMENDMENT NO. 2550

(Ordered to lie on the table.)

Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill, S. 625, supra; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. . STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 1 year after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

HUTCHISON (AND BROWNBACK) AMENDMENTS NOS. 2551–2647

(Ordered to lie on the table.)

Mrs. HUTCHISON (for herself and Mr. BROWNBACK) submitted 97 amendments intended to be proposed by them to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2551

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 330 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2552

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 320 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2553

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 310 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2554

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 300 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2555

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 370 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2556

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 380 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2557

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 390 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2558

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 395 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2559

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 400 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2560

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 426 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2561

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 425 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2562

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 420 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2563

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 415 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2564

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 410 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2565

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 405 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2566

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 200 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2567

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 201 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2568

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 202 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2569

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 203 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2570

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any

findings and recommendations not later than 204 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2571

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 205 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2572

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 206 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2573

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 207 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2574

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 208 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2575

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 209 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2576

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 210 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2577

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 211 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2578

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 212 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000

to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2579

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 213 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2580

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 214 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2581

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 215 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2582

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 216 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2583

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 217 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2584

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 218 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2585

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 220 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2586

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 221 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2587

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 222 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2588

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 223 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2589

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 224 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2590

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 225 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2591

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 226 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2592

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 227 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2593

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 228 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2594

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 229 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2595

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 230 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2596

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 231 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2597

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 343 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2598

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 342 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2599

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 341 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2600

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 340 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2601

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 339 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2602

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 338 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead

within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2603

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 290 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2604

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 350 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2605

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 349 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2606

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 348 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2607

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 347 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2608

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 346 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2609

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 345 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2610

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 344 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2611

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 243 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2612

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 244 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2613

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 245 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2614

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 246 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2615

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 247 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2616

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 248 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2617

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 249 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2618

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 250 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2619

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 255 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2620

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 260 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2621

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 265 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2622

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 270 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2623

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 275 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2624

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 280 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2625

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 241 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2626

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 242 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2627

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any

findings and recommendations not later than 237 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2628

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 238 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2629

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 239 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2630

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 240 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2631

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 236 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2632

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 362 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2633

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 363 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2634

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 232 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2635

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 234 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000

to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2636

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 235 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2637

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 364 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2638

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 361 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2639

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 352 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2640

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 353 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2641

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 354 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2642

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 356 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2643

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 357 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2644

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 359 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2645

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 360 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2646

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 358 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2647

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 351 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

JEFFORDS AMENDMENT NO. 2648

(Ordered to lie on the table.)

Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the end, add the following:

TITLE ____—PROTECTION FROM THE IMPACT OF BANKRUPTCY OF CERTAIN ELECTRIC UTILITIES

SECTION ___01. SHORT TITLE.

This title may be cited as the ''Emergency Imported Electric Power Price Reduction Act of 1999''.

SEC. ___02. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the protection of the public health and welfare, the preservation of national security, and the regulation of interstate and foreign commerce require that electric power imported into the United States be priced fairly and competitively;

(2) the importation of electric power into the United States is a matter vested with the public interest that—

(A) involves an essential and extensively regulated infrastructure industry; and

(B) affects consumers, the cost of goods manufactured and services rendered, and the economic well-being and livelihood of individuals and society;

(3) it is essential that imported electric power be priced—

(A) in a manner that is competitive with domestic electric power and thereby contribute to robust and sound national and regional economies; and

(B) not at a rate that is so high as to result in the imminent bankruptcy of electric utilities in a State; and

(4) the purchase of imported electric power by the Vermont Joint Owners under the Firm Power and Energy Contract with Hydro-Quebec dated December 4, 1987—

(A) is not consistent with the findings stated in paragraphs (1), (2), and (3); and

(B) threatens the economic well-being of the States and regions in which the imported electric power is provided contrary to the public policy of the United States as set forth in the findings stated in paragraphs (1), (2), and (3).

(b) PURPOSES.—The purposes of this title are—

(1) to facilitate the public policy of the United States as set forth in the findings stated in paragraphs (1), (2), and (3) of subsection (a);

(2) to remove a serious threat to the economic well-being of the States and regions in which imported electric power is provided under the contract referred to in section ___02(a)(4); and

(3) to facilitate revisions to the price elements of the contract referred to in section ___02(a)(4) by declaring and making unlawful, effective 180 days after the date of enactment of this Act, the contract as it exists on the date of enactment of this Act.

SEC. ___03. UNLAWFUL CONTRACT AND AMENDED CONTRACT.

(a) IN GENERAL.—Effective on the date that is 180 days after the date of enactment of this Act, the contract referred to in section ___02(a)(4), as the contract exists on the date of enactment of this Act, shall be void.

(b) AMENDMENT OF CONTRACT.—This title does not preclude the parties to the contract referred to in section ___02(a)(4) from amending the contract or entering into a new contract after the date of enactment of this Act in a manner that is consistent with the findings and purposes of this title.

SEC. ___04. EXCLUSIVE ENFORCEMENT.

(a) IN GENERAL.—Only the Attorney General of a State in which electric power is provided under the contract referred to in section ___02(a)(4), as the contract may be amended after the date of enactment of this Act, may bring a civil action in United States district court for an order that—

(1) declares the amended contract not consistent with the findings and purposes of this title and is therefore void;

(2) enjoins performance of the amended contract; and

(3) relieves the electric utilities that are party to the amended contract of any liability under the contract.

(b) TIMING.—A civil action under subsection (a) shall be brought not later than 1 year after the date of the amended contract or new contract.

GRAMM AMENDMENT NO. 2649

(Ordered to lie on the table.)

Mr. GRAMM submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the end of the bill, add the following new title:

TITLE XX—CONSUMER CREDIT DISCLOSURE

SEC. XX01. ENHANCED DISCLOSURES UNDER AN OPEN END CREDIT PLAN.

(a) MINIMUM PAYMENT DISCLOSURES.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(11)(A) In the case of an open end credit plan that requires a minimum monthly payment of not more than 4 percent of the balance on which finance charges are accruing, the following statement, located on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: ''Minimum Payment Warning: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, making only a 2% minimum monthly payment on a balance of $1,000 at an interest rate of 17% would take 88 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum payments, call this toll-free number: XXXXXX. A creditor subject to this subparagraph (A) with total assets not exceeding $250 million and that is an insured depository institution as defined in Section 3(c)(2) of the Federal Deposit Insurance Act or a depository institution insured by the National Credit Union Share Insurance Fund shall not be required to provide a toll-free telephone number, but may instead recoup reasonable average costs of providing telephone information access to consumers.'.

''(B) In the case of an open end credit plan that requires a minimum monthly payment of more than 4 percent of the balance on which finance charges are accruing, the following statement, in a prominent location on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: 'Minimum Payment Warning: Making only the required minimum payment will increase the interest you pay and the time it takes to repay your balance. Making a 5% minimum monthly payment on a balance of $300 at an interest rate of 17% would take 24 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum monthly payments, call this toll-free number: XXXXXX. A creditor subject to this subparagraph (B) with total assets not exceeding $250 million and that is an insured depository institution as defined in Section 3(c)(2) of the Federal Deposit Insurance Act or a depository institution insured by the National Credit Union Share Insurance Fund shall not be required to provide a toll-free telephone number, but may instead recoup reasonable average costs of providing telephone information access to consumers.'.

''(C) Notwithstanding subparagraphs (A) and (B), in the case of a creditor with respect to which compliance with this title is enforced by the Federal Trade Commission, the following statement, in a prominent location on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: 'Minimum Payment Warning: Making only the required minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, making only a 5% minimum monthly payment on a balance of $300 at an interest rate of 17% would take 24 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum monthly payments, call the Federal Trade Commission at this toll-free number: XXXXXX'.

''(D) Notwithstanding subparagraph (B) or (C), in complying with either such subparagraph, a creditor may substitute an example based on an interest rate that is greater than 17 percent. Any creditor who is subject to subparagraph (B) may elect to provide the disclosure required under subparagraph (A) in lieu of the disclosure required under subparagraph (B).

''(E) The Board shall, by rule, periodically recalculate, as necessary, the interest rate and repayment period under subparagraphs (A), (B), and (C).

''(F) The telephone number disclosed by a creditor or the Federal Trade Commission under subparagraph (A) or (B) or (G), as appropriate, may be a telephone number established and maintained by the creditor or the Federal Trade Commission, as appropriate, or may be a telephone number established and maintained by a third party for use by the creditor or multiple creditors, or the Federal Trade Commission, as appropriate. The telephone number may connect consumers to an automated device through which consumers may obtain information described in subparagraph (A), (B) or (C) by inputting information using a touch-tone telephone or similar device, if consumers whose telephones are not equipped to use such automated device are provided the opportunity to be connected to an individual from whom the information described in subparagraph (A), (B) or (C), as applicable, may be obtained. A person that receives a request for information described in subparagraph (A), (B) or (C) from an obligor through the telephone number disclosed under subparagraph (A), (B) or (C), as applicable, shall disclose in response to such request only the information set forth in the formula promulgated by the Board under subparagraph (H)(i).

''(G) The Federal Trade Commission shall establish and maintain a toll-free number for the purpose of providing to consumers the information required to be disclosed under subparagraph (C).

''(H) The Board shall—

''(i)(a) establish a formula for the computation of the approximate number of months that it would take to repay an outstanding balance and the approximate total cost to the consumer, including interest and principal payments, of paying that balance in full, if the consumer pays only the required minimum monthly payments and if no other advances are made; and (b) in establishing the formula required under (i)(a), the Board may use such data and assumptions as it deems necessary from time to time to carry out the purposes of this section.

''(ii) establish the formula required under clause (i) by assuming—

''(I) a significant number of different annual percentage rates;

''(II) a significant number of different account balances;

''(III) a significant number of different minimum payment amounts;

''(IV) that only minimum monthly payments are made and no additional extensions of credit are obtained;

''(V) one or more balance computation methods or one or more periods to be used as the number of days per billing cycle; and

''(VI) such other facts or data as the Board shall deem necessary to carry out the purposes of this section; and

''(iii) promulgate regulations that provide instructional guidance regarding the manner in which the information contained in the formula established under clause (i) should be used in responding to the request of an obligor for any information required to be disclosed under subparagraph (A), (B), or (C).''.

(b) EXCEPTION FOR CHARGE CARD ACCOUNTS.—The disclosure requirements under this section do not apply to a charge account, the primary purpose of which is to require payment of charges in full each month.

(c) EXCEPTION FOR ACTUAL DISCLOSURE.—Creditors that maintain a toll-free telephone number for the purpose of providing customers with the actual number of months that it would take to repay an outstanding balance are exempt from the requirements of paragraphs (11) (A) and (B).

(d) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the ''Board'') shall promulgate regulations implementing the requirements of section 127(b)(11) of the Truth in Lending Act, as added by subsection (a) of this section. Section 127(b)(11) of the Truth in Lending Act, as added by subsection (a) of this section, and the regulations issued under this subsection shall not take effect until the later of 18 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

(e) STUDY OF FINANCIAL DISCLOSURES.—

(1) IN GENERAL.—The Board may conduct a study to determine the types of information available to potential borrowers from consumer credit lending institutions regarding: factors qualifying potential borrowers for credit, repayment requirements, and the consequences of default.

(2) FACTORS FOR CONSIDERATION.—In conducting the study under paragraph (1), the Board may, in consultation with the other Federal banking agencies (as defined in Section 3 of the Federal Deposit Insurance Act), the National Credit Union Administration and the Federal Trade Commission, consider the extent to which—

(A) consumers, in establishing new credit arrangements, are aware of their existing payment obligations, the need to consider those obligations in deciding to take on new credit, and how taking on excessive credit can result in financial difficulty;

(B) minimum periodic payment features offered in connection with open end credit plans impact consumer default rates;

(C) consumers make only the minimum payment under open end credit plans;

(D) consumers are aware that making only minimum payments will increase the cost and repayment period of an open end credit obligation; and

(E) the availability of low minimum payment options is a cause of consumers experiencing financial difficulty.

(3) REPORT TO CONGRESS.—Before the end of the 2-year period beginning on the date of enactment of this Act, findings of the Board in connection with the study, if conducted, shall be submitted to Congress. Such report also shall include recommendations for legislative initiatives, if any, of the Board based upon its findings.

SEC. XX02. ENHANCED DISCLOSURE FOR CREDIT EXTENSIONS SECURED BY A DWELLING.

(a) OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 127A(a)(13) of the Truth in Lending Act (15 U.S.C. 1637a(a)(13)) is amended—

(A) by striking ''CONSULTATION OF TAX ADVISOR.—A statement that the'' and inserting the following: ''TAX DEDUCTIBILITY.—A statement that—

''(A) the''; and

(B) by striking the period at the end and inserting the following: ''; and

''(B) in any case in which the extension of credit exceeds the fair market value (as defined by the Board) of the dwelling, the interest on the portion of the credit extension that is greater than the fair market value (as defined by the Board) of the dwelling is

not tax deductible for Federal income tax purposes.''.

(2) CREDIT ADVERTISEMENTS.—Section 147(b) of the Truth in Lending Act (15 U.S.C. 1665b(b)) is amended—

(A) by striking ''If any'' and inserting the following:

''(1) IN GENERAL.—If any''; and

(B) by adding at the end the following:

''(2) CREDIT IN EXCESS OF FAIR MARKET VALUE.—Each advertisement described in subsection (a) that relates to an extension of credit that may exceed the fair market value (as defined by the Board) of the dwelling, and which advertisement is disseminated in paper form to the public or through the Internet, as opposed to by radio or television), shall include a clear and conspicuous statement that—

''(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(B) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.''.

(b) NON-OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 128 of the Truth in Lending Act (15 U.S.C. 1638) is amended—

(A) in subsection (a), by adding at the end the following:

''(15) In the case of a consumer credit transaction that is secured by the principal dwelling of the consumer, in which the extension of credit may exceed the fair market value (as defined by the Board) of the dwelling, a clear and conspicuous statement that—

''(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(B) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges. ''; and

(B) in subsection (b), by adding at the end the following:

''(3) In the case of a credit transaction described in paragraph (15) of subsection (a), disclosures required by that paragraph shall be made to the consumer at the time of application for such extension of credit.''.

(2) CREDIT ADVERTISEMENTS.—Section 144 of the Truth in Lending Act (15 U.S.C. 1664) is amended by adding at the end the following:

''(e) Each advertisement to which this section applies that relates to a consumer credit transaction that is secured by the principal dwelling of a consumer in which the extension of credit may exceed the fair market value (as defined by the Board) of the dwelling, and which advertisement is disseminated in paper form to the public or through the Internet, as opposed to by radio or television, shall clearly and conspicuously state that—

''(1) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(2) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective 12 months after the date of enactment of this Act.

SEC. ___03. DISCLOSURES RELATED TO ''INTRODUCTORY RATES''.

(a) Section 127(c) of the Truth in Lending Act (15 U.S.C. 16379c)) is amended by adding at the end the following:

''(6) ADDITIONAL NOTICE CONCERNING 'INTRODUCTORY RATES'.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an application or solicitation to open a credit card account and all promotional materials accompanying such application or solicitation, for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate, shall—

''(i) use the term 'introductory' in immediate proximity to each listing of the temporary annual percentage rate applicable to such account, which term shall appear clearly and conspicuously;

''(ii) if the annual percentage rate that will apply after the end of the temporary rate period will be a fixed rate, state the following clearly and conspicuously in a prominent location closely proximate to the first listing of the temporary annual percentage rate; or if the first listing is not the most prominent listing, then immediately proximate to the most prominent listing of the temporary annual percentage rate (other than a listing of the temporary annual percentage rate in the tabular format described in section 122(c)): the time period in which the introductory period will end and the annual percentage rate that will apply after the end of the introductory period;

''(iii) if the annual percentage rate that will apply after the end of the temporary rate period will vary in accordance with an index, state the following clearly and conspicuously in a prominent location closely proximate to the first listing of the temporary annual percentage rate; or if the first listing is not the most prominent listing, then closely proximate to the most prominent listing of the temporary annual percentage rate (other than a listing in the tabular format prescribed by section 122(c)): The period in which the introductory period will end and an annual percentage rate that was in effect within 60 days before mailing the application or solicitation.

''(B) EXCEPTION.—Clauses (ii) and (iii) of subparagraph (A) do not apply with respect to any listing of a temporary annual percentage rate on an envelope or other enclosure in which an application or solicitation to open a credit card account is mailed

''(C) CONDITIONS FOR INTRODUCTORY RATES.—An application or solicitation to open a credit card account for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate shall, if that rate is revocable under any circumstance or upon any event, clearly and conspicuously disclose, in a prominent manner on or with such application or solicitation—

''(i) a general description of the circumstances or events that may result in the revocation of the temporary annual percentage rate, including representative examples; and

''(ii) if the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate—

''(I) will be a fixed rate, the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate; or

''(II) will vary in accordance with an index, an annual percentage rate that was in effect within 60 days before mailing the application or solicitation.

''(D) DEFINITIONS.—In this paragraph—

''(i) the terms 'temporary annual percentage rate' and 'temporary annual percentage rate' mean any rate of interest applicable to a credit card account for an introductory period of less than 1 year, if that rate is less than an annual percentage rate that was in effect within 60 days before mailing the application or solicitation; and

''(ii) the term 'introductory period' means the maximum time period for which the temporary annual percentage rate may be applicable.

''(E) RELATION TO OTHER DISCLOSURE REQUIREMENTS.—Nothing in this paragraph may be construed to supersede subsection (a) of Section 122, or any disclosure required by paragraph (1) or any other provision of this subsection.''.

(b) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the ''Board'') shall promulgate regulations implementing the requirements of section 127 of the Truth in Lending Act, as amended by subsection (a) of this section. Any provision set forth in subsection (a) and such regulations shall not take effect until the later of 18 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

SEC. XX04. INTERNET-BASED CREDIT CARD SOLICITATIONS.

(a) Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

''(7) INTERNET-BASED APPLICATIONS AND SOLICITATIONS.—

''(A) IN GENERAL.—In any solicitation to open a credit card account for any person under an open end consumer credit plan using the Internet or other interactive computer service, the person making the solicitation shall clearly and conspicuously disclose—

''(i) the information described in subparagraphs (A) and (B) of paragraph (1); and

''(ii) the disclosures described in paragraph (6).

''(B) FORM OF DISCLOSURE.—The disclosures required by subparagraph (A) shall be—

''(i) readily accessible to consumers in close proximity to the solicitation to open a credit card account; and

''(ii) updated regularly to reflect the current policies, terms, and fee amounts applicable to the credit card account.

''(C) DEFINITIONS.—For purposes of this paragraph—

''(i) the term 'Internet' means the international computer network of both Federal and non-Federal interoperable packet switched data networks; and

''(ii) the term 'interactive computer service' means any information service, system, or access software provider that provides or enables computer access by multiple users to a computer server, including specifically a service or system that provides access to the Internet and such systems operated or services offered by libraries or educational institutions.''.

(b) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the ''Board'') shall promulgate regulations implementing the requirements of section 127 of the Truth in Lending Act, as amended by subsection (a) of this section. Any provision set forth in subsection (a) and such regulations shall not take effect until the later of 18 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

SEC. XX05. DISCLOSURES RELATED TO LATE PAYMENT DEADLINES AND PENALTIES.

(a) Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(12) If a late payment fee is to be imposed due to the failure of the obligor to make payment on or before a required payment due date the following shall be started clearly and conspicuously on the billing statement:

''(A) The date that payment is due or, if different, the earliest date on which a late payment fee may be charged.

''(B) The amount of the late payment fee to be imposed if payment is made after such date.''.

(b) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the ''Board'') shall promulgate regulations implementing the requirements of section 127 of the Truth in Lending Act, as amended by subsection (a) of this section. Any provision set forth in subsection (a) and such regulations shall not take effect until the later of 18 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

SEC. XX06. TERMINATION OF OPEN-END CONSUMER CREDIT ACCOUNTS FOR FAILURE TO INCUR FINANCE CHARGES.

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

''(h) TERMINATION OF OPEN-END CONSUMER CREDIT ACCOUNTS FOR FAILURE TO INCUR FINANCE CHARGES.—The Board may conduct or supervise surveys to determine whether and to what extent open-end consumer credit accounts may be terminated by creditors solely based upon the accountholder's failure to incur finance charges on the account. If the results of such surveys produce results that in any significant manner, as determined by the Board, establish materially adverse impacts upon open-end consumer credit accountholders arising from terminations based solely upon their failure to incur finance charges, the Board shall present such findings to the Congress and recommendations for legislative initiatives, if any, based upon such findings. The Board also may promulgate regulations pursuant to its authority under the Truth in Lending Act. Any such regulations shall not take effect until 12 months after publication of such regulations by the Board.''.

SEC. XX07. DUAL USE DEBIT CARD.

(a) REPORT REQUIRED.—The Board may conduct a study of and present to Congress a report containing its analysis of consumer protections under existing law to limit the liability of consumers for unauthorized use of a debit card or similar access device. Such report shall include recommendations for legislative initiatives, if any, of the Board based upon its findings.

(b) CONSIDERATIONS.—In preparing the report under subsection (a), the Board may include—

(1) the extent to which section 909 of the Electronic Fund Transfer Act (15 U.S.C. 1693g), as in effect at the time of the report, and the implementing regulations promulgated by the Board to carry out that section provide unauthorized use liability protection for consumers;

(2) the extent to which any voluntary industry rules have or may enhance the level of protection afforded consumers in connection with such unauthorized use liability; and

(3) whether amendments to the Electronic Fund Transfer Act (15 U.S.C. 1693 et seq.), or revisions to regulations promulgated by the Board to carry out that Act, are necessary to provide to further address protection for consumers concerning unauthorized use liability.

SEC. XX08. STUDY OF BANKRUPTCY IMPACT OF CREDIT EXTENDED TO DEPENDENT STUDENTS.

(A) STUDY—

(1) IN GENERAL.—The Board, in consultation with such other departments, agencies, or other public or quasi-public entities, as it may deem necessary, may conduct a study regarding the significance of the impact, if any, of the extension of credit described in paragraph (2) on the rate of personal bankruptcy cases filed and closed under title 11, United States Code excluding those cases in which the discharges have been revoked by a court of competent jurisdiction.

(2) EXTENSION OF CREDIT.—The extension of credit referred to in paragraph (1) is the extension of credit to individuals who are—

(A) claimed as dependents for purposes of the Internal Revenue Code of 1986; and

(B) enrolled within one year of successfully completing all required secondary education requirements and on a full-time basis in postsecondary educational institutions.

(3) PERSONAL BANKRUPTCY CASES.—Personal bankruptcy cases referred to in paragraph (1) are those cases filed and resolved and not overturned by a court of competent jurisdiction within the 5-year period ending on the date of enactment of this Act.

(b) REPORT.—Not later than 18 months after the date of enactment of this Act, the Board shall submit to the Congress a report summarizing the results of the study conducted under subsection (a), if conducted.

REED AMENDMENT NO. 2650

(Ordered to lie on the table.)

Mr. REED submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

Strike section 204 and insert the following:

SEC. 204. DISCOURAGING ABUSE OF REAFFIRMATION PRACTICES.

(a) REAFFIRMATIONS.—Section 524 of title 11, United States Code, is amended—

(1) in subsection (c)—

(A) in paragraph (3)—

(i) in subparagraph (B), by striking ''and'' at the end:

(ii) in subparagraph (C), by adding ''and'' at the end; and

(iii) by adding at the end the following: ''(D) such agreement is not an agreement that the debtor entered into as a result of a threat by the creditor to take an action that the creditor could not legally take;'';

(B) in paragraph (6)(A)—

(i) in the matter preceding clause (i), by inserting after ''an agreement under this subsection,'' the following: ''and the consideration for such agreement is not based on a wholly unsecured consumer debt or on a consumer debt secured in whole or in part by an item (or items generally sold as a unit) of personalty, with respect to which, at point of purchase, the cost of the item or unit was $500 or less,'';

(ii) in clause (i), by striking ''and'' at the end;

(iii) in clause (ii), by striking the period and inserting ''; and''; and

(iv) by adding at the end the following:

''(iii) not an agreement that the debtor entered into as a result of a threat by a creditor to take an action that the creditor could not legally take.''; and

(C) by adding at the end the following:

''(7)(A)(i) In the case of an agreement that is based on a wholly unsecured consumer debt or on a consumer debt secured in whole or in part by an item (or items generally sold as a unit) of personalty with respect to which, at point of purchase, the cost of the item or unit was $500 or less, the parties shall execute a statement accompanying each such agreement under an appropriate form prescribed by the Judicial Conference of the United States that—

''(I) fully discloses the financial terms of the reaffirmed debt, including—

''(aa) the amount reaffirmed (including, if practicable, an itemization of the portions of such debt that constitute principal and interest);

''(bb) any attorney's fees or other fees for costs associated with the collection of the debt;

''(cc) a schedule of payments;

''(dd) any financial terms that differ from the financial terms in effect at the time of filing of the petition;

''(ee) the extent and nature of any security interest; and

''(ff) if the agreement includes an extension or renewal of a credit line, basic financial information on the credit terms, such as would be required under applicable federal nonbankruptcy law; and

''(II) demonstrates whether the debtor's net monthly income is not less than the monthly payment required by the agreement, or, if the debtor is proposing more than one such agreement, the aggregation of such agreements.

''(ii) For purposes of this subparagraph, the debtor's net monthly income is the debtor's monthly income less monthly expenses and monthly payments on nondischargeable debt and all other reaffirmed debt. Monthly income, expenses, and payments on debts shall be calculated in the same manner as required by section 707(b).

''(iii) This subparagraph shall not apply if the debtor was represented by counsel during the course of negotiating the agreement under this subparagraph and—

''(I) the amount of the debt to be reaffirmed in any single such agreement under clause (i) is less than $500, except that if the debtor is proposing more than 1 such agreement, and the aggregate amount of such debts to be reaffirmed to all creditors is more than $750, this subparagraph shall apply to any such agreement that has not been approved by the court and any such subsequent agreement; or

''(II) if the amount of the debt to be reaffirmed in any single such agreement is secured by more than one item or unit of collateral and over 50 percent of the total value of all said items or units is attributable to items or units which cost more than $500 at point of purchase. For purposes of this subclause, the value of any item or unit of collateral shall be measured as the cost at point of purchase.

''(iv) Any agreement described under subsection (i) of this subparagraph is enforceable only if filed with the court within 50 days after the first date set for the meeting of creditors under section 341(a), or within such additional time as the court fixes, for cause, within such 50-day period. An agreement that has been filed as prescribed may be amended as a matter of course before the case is closed.

''(B) If the debtor was represented by counsel during the course of negotiating the agreement, the attorney must file the declaration or affidavit as required under paragraph (3).

''(C)(i) The court may consider any such agreement, and shall consider any such agreement that is not an agreement under subparagraph (A)(iii). No agreement shall be disapproved without a notice and hearing to the debtor and creditor, and such hearing must be concluded before the entry of the debtor's discharge. Any agreement under subparagraph (A)(i) not disapproved by the court at the time of discharge shall be deemed approved.

''(ii) The court's consideration under clause (i) shall include whether the agreement—

''(I) imposes no undue hardship on the debtor or a dependent of the debtor;

''(II) is in the best interest of the debtor; and

''(III) is not an agreement that the debtor entered into as a result of a threat by the creditor to take an action that the creditor could not legally take.

''(D) If the debtor was not represented by counsel during the course of negotiating the agreement and the debtor's net monthly income as defined in subparagraph (A)(ii) is

less than the monthly payments required by the agreement, or if applicable, aggregation of agreements, there shall be a presumption that the agreement imposes an undue hardship. The court shall hold a hearing at which the debtor may rebut the presumption by demonstrating the existence of financial circumstances that would enable the debtor to undertake the agreement without undue hardship.''; and

(2) in subsection (d), in the third sentence of the matter preceding paragraph (1), by inserting after ''subsection (c) of this section'' the following:

''that is not a debt described in subsection (c)(7)''.

(B) JUDICIAL EDUCATION.—The Director of the Administrative Office of the United States Courts, in consultation with the Director of the Executive Office for United States Trustees, shall develop materials and conduct such training as may be useful to courts in implementing the amended requirements for reaffirmations, and, in particular, in considering the information contained in the forms required by subparagraph (C).

(C) MODEL FORMS.—

(1) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Judicial Conference of the United States, in consultation with the Board of Governors of the Federal Reserve System, the Federal Trade Commission, and interested parties, shall issue a model form for use in making the disclosure and calculations required by the amendments made by subsection (a).

(2) REQUIREMENTS FOR MODEL FORM.—Such model form shall—

(A) be easily understandable to the individuals who use the form;

(B) be suitable for use by debtors under chapter 7 of title 11, United States Code, with a range of educational backgrounds;

(C) provide an opportunity for any debtor to provide—

(i) financial information that is sufficient to demonstrate the existence of financial circumstances that would enable the debtor to undertake an agreement described in section 524(c) of title 11, United States Code, without hardship; and

(ii) a statement as to why an agreement referred to in clause (i) is in the debtor's best interest; and

(D) not require parties to supply information that—

(i) is not readily available; or

(ii) cannot be reasonably acquired.

GRAIG AMENDMENT NO. 265

(Ordered to lie on the table.)

Mr. GRAIG submitted an amendment intended to be proposed by him to the bil, S. 625, supra, as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . PROPERTY NO LONGER SUBJECT TO REDEMPTION.

Section 541(b) of title 11, United States Code, is amended by adding at the end the following—

''(6) Any interest of the debtor in property where the debtor has pledged or sold tangible personal property or other valuable things (other than securities or written or printed evidences of indebtedness of title) as collateral for a loan or advance of money, where—

(i) the debtor has no obligation to repay the money, redeem the collateral, or buy back the property at a stipulated price, and

(ii) neither the debtor nor the trustee have exercised any right to redeem provided under the contract or state law, in a timely manner as provided under state law and Section 108(b) of this title.''.

KENNEDY AMENDMENTS NOS. 2652–2653

(Ordered to lie on the table.)

Mr. KENNEDY submitted two amendments intended to be proposed by him to the bill S. 625, supra; as follows:

AMENDMENT NO. 2652

On page 11, line 2, insert before the first semicolon '', but excludes benefits received under the Social Security Act;''.

AMENDMENT NO. 2653

On page 135, strike lines 16 through 18 and insert the following:

''(B)(i) The court may extend the period determined under subparagraph (A) for 120 days, upon motion of the trustee or the lessor for cause.

''(ii) If the court grants an extension under clause (i), the court may grant a subsequent extension only upon prior written consent of the lessor.''.

On page 139, strike lines 11 through 16 and insert the following:

''(2)(A) The 120-day period specified in paragraph (1) may be extended beyond the date that is 18 months after the date of the order for relief under this chapter if compelling circumstances are demonstrated.

''(B) The 180-day period specified in paragraph (1) may be extended beyond the date that is 20 months after the date of the order for relief under this chapter in conjunction with an extension granted under subparagraph (A).''.

On page 147, line 19, strike ''$4,000,000'' and insert ''$2,000,000''.

On page 155, lines 16, 19, and 24, strike ''90'' each place it appears and insert ''120''.

On page 156, lines 19 and 20, strike ''150'' each place it appears and insert ''175''.

On page 161, line 2, insert ''or'' after the semicolon.

On page 161, line 6, strike ''; or'' and all that follows through line 10 and insert a period.

On page 161, beginning on line 19, strike '', but not a liquidating plan,''.

On page 163, line 1, strike ''(I)''.

On page 163, line 3, strike '', but not'' and all that follows through line 8 and insert a period.

On page 163, line 22, insert ''that poses a risk to the public'' before the semicolon.

On page 164, line 3, insert ''repeated'' before ''failure''.

On page 164, strike lines 13 through 15.

On page 164, line 16, strike ''(J)'' and insert ''(I)''.

On page 164, line 19, strike ''(K)'' and insert ''(J)''.

On page 164, line 21, strike ''(L)'' and insert ''(K)''.

On page 164, line 23, strike ''(M)'' and insert ''(L)''.

On page 165, line 1, strike ''(N)'' and insert ''(M)''.

On page 165, line 3, strike ''(O)'' and insert ''(N)''.

On page 165, between lines 4 and 5, insert the following:

''(5) The court may grant relief under this subsection for cause, as defined in subparagraphs (C), (F), (G), (H), or (J) of paragraph (4), only upon motion of the United States Trustee or bankruptcy administrator, or upon the court's own motion.

On page 165, line 5, strike ''5'' and insert ''6''.

On page 165, line 23, insert ''or an examiner'' after ''trustee''.

On page 263, line 16, insert ''in a case where the debtor is engaged in the business of financial services,'' before ''any''.

On page 264, line 9, strike the period at the end and insert '', and the transaction exceeds $25,000,000.''.

On page 278, line 8, strike the dash at the end and all that follows through line 14 and insert ''by inserting 'who is not a family farmer' after 'debtor' the first place it appears;''.

JOHNSON AMENDMENT NO. 2654

(Ordered to lie on the table.)

Mr. JOHNSON submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. COMPENSATING TRUSTEES.

Title 11, United States Code, is amended—

(1) in section 104(b)(1) in the matter preceding subparagraph (A) by—

(A) striking ''and 523(a)(2)(C)''; and

(B) inserting ''523(a)(2)(C), and 1326(b)(3)'' before ''immediately'';

(2) in section 326, by inserting at the end the following:

''(e) Notwithstanding any other provision of this section, if a trustee in a chapter 7 case commences a motion to dismiss or convert under section 707(b) and such motion is granted, the court shall allow reasonable compensation under section 330(a) of this title for the services and expenses of the trustee and the trustee's counsel in preparing and presenting such motion and any related appeals.''; and

(3) in section 1326(b)—

(A) in paragraph (1), by striking ''and'';

(B) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(3) if a chapter 7 trustee has been allowed compensation under section 326(e) in a case converted to this chapter or in a case dismissed under section 707(b) in which the debtor in this case was a debtor—

''(A) the amount of such unpaid compensation which shall be paid monthly by prorating such amount over the remaining duration of the plan, but a monthly payment shall not exceed the greater of—

''(i) $25; or

''(ii) the amount payable to unsecured nonpriority creditors as provided by the plan multiplied by 5 percent, and the result divided by the number of months in the plan; and

''(B) notwithstanding any other provision of this title—

''(i) such compensation is payable and may be collected by the trustee under this paragraph even if such amount has been discharged in a prior proceeding under this title; and

''(ii) such compensation is payable in a case under this chapter only to the extent permitted by this paragraph.''.

TORRICELLI (AND OTHERS) AMENDMENT NO. 2655

(Ordered to lie on the table.)

Mr. TORRICELLI (for himself, Mr. GRASSLEY, Mr. BIDEN, and Mr. LEAHY) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the end of the bill, add the following new title:

TITLE ___—CONSUMER CREDIT DISCLOSURE

SEC. ___01. ENHANCED DISCLOSURES UNDER AN OPEN END CREDIT PLAN.

(a) MINIMUM PAYMENT DISCLOSURES.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(11)(A) In the case of an open end credit plan that requires a minimum monthly payment of not more than 4 percent of the balance on which finance charges are accruing, the following statement, located on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: 'Minimum Payment Warning: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, making only the typical 2% minimum monthly payment on a balance of $1,000 at an interest rate of 17% would take 88 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum payments, call this toll-free number: _____.'.

''(B) In the case of an open end credit plan that requires a minimum monthly payment of more than 4 percent of the balance on which finance charges are accruing, the following statement, in a prominent location on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: 'Minimum Payment Warning: Making only the required minimum payment will increase the interest you pay and the time it takes to repay your balance. Making a typical 5% minimum monthly payment on a balance of $300 at an interest rate of 17% would take 24 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum monthly payments, call this toll-free number: _____.'.

''(C) Notwithstanding subparagraphs (A) and (B), in the case of a creditor with respect to which compliance with this title is enforced by the Federal Trade Commission, the following statement, in a prominent location on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: 'Minimum Payment Warning: Making only the required minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, making only the typical 5% minimum monthly payment on a balance of $300 at an interest rate of 17% would take 24 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum monthly payments, call the Federal Trade Commission at this toll-free number: _____.' A creditor who is subject to this subparagraph shall not be subject to subparagraph (A) or (B).

''(D) Notwithstanding subparagraph (A), (B), or (C), in complying with any such subparagraph, a creditor may substitute an example based on an interest rate that is greater than 17 percent. Any creditor who is subject to subparagraph (B) may elect to provide the disclosure required under subparagraph (A) in lieu of the disclosure required under subparagraph (B).

''(E) The Board shall, by rule, periodically recalculate, as necessary, the interest rate and repayment period under subparagraphs (A), (B), and (C).

''(F) The toll-free telephone number disclosed by a creditor or the Federal Trade Commission under subparagraph (A), (B), or (G), as appropriate, may be a toll-free telephone number established and maintained by the creditor or the Federal Trade Commission, as appropriate, or may be a toll-free telephone number established and maintained by a third party for use by the creditor or multiple creditors or the Federal Trade Commission, as appropriate. The toll-free telephone number may connect consumers to an automated device through which consumers may obtain information described in subparagraph (A), (B), or (C), by inputting information using a touch-tone telephone or similar device, if consumers whose telephones are not equipped to use such automated device are provided the opportunity to be connected to an individual from whom the information described in subparagraph (A), (B), or (C), as applicable, may be obtained. A person that receives a request for information described in subparagraph (A), (B), or (C) from an obligor through the toll-free telephone number disclosed under subparagraph (A), (B), or (C), as applicable, shall disclose in response to such request only the information set forth in the table promulgated by the Board under subparagraph (H)(i).

''(G) The Federal Trade Commission shall establish and maintain a toll-free number for the purpose of providing to consumers the information required to be disclosed under subparagraph (C).

''(H) The Board shall—

''(i) establish a detailed table illustrating the approximate number of months that it would take to repay an outstanding balance if the consumer pays only the required minimum monthly payments and if no other advances are made, which table shall clearly present standardized information to be used to disclose the information required to be disclosed under subparagraph (A), (B), or (C), as applicable;

''(ii) establish the table required under clause (i) by assuming—

''(I) a significant number of different annual percentage rates;

''(II) a significant number of different account balances;

''(III) a significant number of different minimum payment amounts; and

''(IV) that only minimum monthly payments are made and no additional extensions of credit are obtained; and

''(iii) promulgate regulations that provide instructional guidance regarding the manner in which the information contained in the table established under clause (i) should be used in responding to the request of an obligor for any information required to be disclosed under subparagraph (A), (B), or (C).

''(I) The disclosure requirements of this paragraph do not apply to any charge card account, the primary purpose of which is to require payment of charges in full each month.

''(J) A creditor that maintains a toll-free telephone number for the purpose of providing customers with the actual number of months that it will take to repay an outstanding balance—

''(i) is not subject to the requirements of subparagraphs (A) and (B); and

''(ii) shall include the following statement on each billing statement: 'Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For more information, call this toll-free number: _____.'. ''.

(b) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the ''Board'') shall promulgate regulations implementing the requirements of section 127(b)(11) of the Truth in Lending Act, as added by subsection (a) of this section. Section 127(b)(11) of the Truth in Lending Act, as added by subsection (a) of this section, and the regulations issued under this subsection shall not take effect until the later of 18 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

(c) STUDY OF FINANCIAL DISCLOSURES.—

(1) IN GENERAL.—The Board may conduct a study to determine whether consumers have adequate information about borrowing activities that may result in financial problems.

(2) FACTORS FOR CONSIDERATION.—In conducting a study under paragraph (1), the Board shall, in consultation with the other Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act), the National Credit Union Administration, and the Federal Trade Commission, consider the extent to which—

(A) consumers, in establishing new credit arrangements, are aware of their existing payment obligations, the need to consider those obligations in deciding to take on new credit, and how taking on excessive credit can result in financial difficulty;

(B) minimum periodic payment features offered in connection with open end credit plans impact consumer default rates;

(C) consumers make only the minimum payment under open end credit plans;

(D) consumers are aware that making only minimum payments will increase the cost and repayment period of an open end credit obligation; and

(E) the availability of low minimum payment options is a cause of consumers experiencing financial difficulty.

(3) REPORT TO CONGRESS.—Findings of the Board in connection with any study conducted under this subsection shall be submitted to Congress. Such report shall also include recommendations for legislative initiatives, if any, of the Board, based on its findings.

SEC. ___02. ENHANCED DISCLOSURE FOR CREDIT EXTENSIONS SECURED BY A DWELLING.

(a) OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 127A(a)(13) of the Truth in Lending Act (15 U.S.C. 1637a(a)(13)) is amended—

(A) by striking ''CONSULTATION OF TAX ADVISOR.—A statement that the'' and inserting the following: ''TAX DEDUCTIBILITY.—A statement that—

''(A) the''; and

(B) by striking the period at the end and inserting the following: ''; and

''(B) in any case in which the extension of credit exceeds the fair market value (as defined by the Board) of the dwelling, the interest on the portion of the credit extension that is greater than the fair market value (as defined by the Board) of the dwelling is not tax deductible for Federal income tax purposes.''.

(2) CREDIT ADVERTISEMENTS.—Section 147(b) of the Truth in Lending Act (15 U.S.C. 1665b(b)) is amended—

(A) by striking ''If any'' and inserting the following:

''(1) IN GENERAL.—If any''; and

(B) by adding at the end the following:

''(2) CREDIT IN EXCESS OF FAIR MARKET VALUE.—Each advertisement described in subsection (a) that relates to an extension of credit that may exceed the fair market value (as defined by the Board) of the dwelling, and which advertisement is disseminated in paper form to the public or through the Internet, as opposed to by radio or television, shall include a clear and conspicuous statement that—

''(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(B) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.''.

(b) NON-OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 128 of the Truth in Lending Act (15 U.S.C. 1638) is amended—

(A) in subsection (a), by adding at the end the following:

''(15) In the case of a consumer credit transaction that is secured by the principal dwelling of the consumer, in which the extension of credit may exceed the fair market value (as defined by the Board) of the dwelling, a clear and conspicuous statement that—

''(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(B) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.''; and

(B) in subsection (b), by adding at the end the following:

''(3) In the case of a credit transaction described in paragraph (15) of subsection (a), disclosures required by that paragraph shall be made to the consumer at the time of application for such extension of credit.''.

(2) CREDIT ADVERTISEMENTS.—Section 144 of the Truth in Lending Act (15 U.S.C. 1664) is amended by adding at the end the following:

''(e) Each advertisement to which this section applies that relates to a consumer credit transaction that is secured by the principal dwelling of a consumer in which the extension of credit may exceed the fair market value (as defined by the Board) of the dwelling, and which advertisement is disseminated in paper form to the public or through the Internet, as opposed to by radio or television, shall clearly and conspicuously state that—

''(1) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(2) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective 12 months after the date of enactment of this Act.

SEC. ___03. DISCLOSURES RELATED TO "INTRODUCTORY RATES".

Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

''(6) ADDITIONAL NOTICE CONCERNING 'INTRODUCTORY RATES'.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an application or solicitation to open a credit card account and all promotional materials accompanying such application or solicitation, for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate of interest, shall—

''(i) use the term 'introductory' in immediate proximity to each listing of the temporary annual percentage rate applicable to such account, which term shall appear clearly and conspicuously;

''(ii) if the annual percentage rate of interest that will apply after the end of the temporary rate period will be a fixed rate, state the following in a clear and conspicuous manner in a prominent location closely proximate to the first listing of the temporary annual percentage rate (other than a listing of the temporary annual percentage rate in the tabular format described in section 122(c)) or, if the first listing is not the most prominent listing, then closely proximate to the most prominent listing of the temporary annual percentage rate, in each document and in no smaller type size than the smaller of the type size in which the proximate temporary annual percentage rate appears or a 12-point type size, the time period in which the introductory period will end and the annual percentage rate that will apply after the end of the introductory period; and

''(iii) if the annual percentage rate that will apply after the end of the temporary rate period will vary in accordance with an index, state the following in a clear and conspicuous manner in a prominent location closely proximate to the first listing of the temporary annual percentage rate (other than a listing in the tabular format prescribed by section 122(c)) or, if the first listing is not the most prominent listing, then closely proximate to the most prominent listing of the temporary annual percentage rate, in each document and in no smaller type size than the smaller of the type size in which the proximate temporary annual percentage rate appears or a 12-point type size, the time period in which the introductory period will end and an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation.

''(B) EXCEPTION.—Clauses (ii) and (iii) of subparagraph (A) do not apply with respect to any listing of a temporary annual percentage rate on an envelope or other enclosure in which an application or solicitation to open a credit card account is mailed.

''(C) CONDITIONS FOR INTRODUCTORY RATES.—An application or solicitation to open a credit card account for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate of interest shall, if that rate of interest is revocable under any circumstance or upon any event, clearly and conspicuously disclose, in a prominent manner on or with such application or solicitation—

''(i) a general description of the circumstances that may result in the revocation of the temporary annual percentage rate, including representative examples; and

''(ii) if the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate—

''(I) will be a fixed rate, the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate; or

''(II) will vary in accordance with an index, an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation.

''(D) DEFINITIONS.—In this paragraph—

''(i) the terms 'temporary annual percentage rate of interest' and 'temporary annual percentage rate' mean any rate of interest applicable to a credit card account for an introductory period of less than 1 year, if that rate is less than an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation; and

''(ii) the term 'introductory period' means the maximum time period for which the temporary annual percentage rate may be applicable.

''(E) RELATION TO OTHER DISCLOSURE REQUIREMENTS.—Nothing in this paragraph may be construed to supersede subsection (a) of section 122, or any disclosure required by paragraph (1) or any other provision of this subsection.''.

SEC. ___04. INTERNET-BASED CREDIT CARD SOLICITATIONS.

Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

''(7) INTERNET-BASED APPLICATIONS AND SOLICITATIONS.—

''(A) IN GENERAL.—In any solicitation to open a credit card account for any person under an open end consumer credit plan using the Internet or other interactive computer service, the person making the solicitation shall clearly and conspicuously disclose—

''(i) the information described in subparagraphs (A) and (B) of paragraph (1); and

''(ii) the disclosures described in paragraph (6).

''(B) FORM OF DISCLOSURE.—The disclosures required by subparagraph (A) shall be—

''(i) readily accessible to consumers in close proximity to the solicitation to open a credit card account; and

''(ii) updated regularly to reflect the current policies, terms, and fee amounts applicable to the credit card account.

''(C) DEFINITIONS.—For purposes of this paragraph—

''(i) the term 'Internet' means the international computer network of both Federal and non-Federal interoperable packet switched data networks; and

''(ii) the term 'interactive computer service' means any information service, system, or access software provider that provides or enables computer access by multiple users to a computer server, including specifically a service or system that provides access to the Internet and such systems operated or services offered by libraries or educational institutions.''.

SEC. ___05. DISCLOSURES RELATED TO LATE PAYMENT DEADLINES AND PENALTIES.

Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(12) If a late payment fee is to be imposed due to the failure of the obligor to make payment on or before a required payment due date the following shall be stated clearly and conspicuously on the billing statement:

''(A) The date on which that payment is due or, if different, the earliest date on which a late payment fee may be charged.

''(B) The amount of the late payment fee to be imposed if payment is made after such date.''.

SEC. ___06. PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

''(h) PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.—A creditor of an account under an open end consumer credit plan may not terminate an account prior to its expiration date solely because the consumer has not incurred finance charges on the account. Nothing in this subsection shall prohibit a creditor from terminating an account for inactivity in 3 or more consecutive months.''.

SEC. ___07. DUAL USE DEBIT CARD.

(a) REPORT.—The Board may conduct a study of, and present to Congress a report containing its analysis of, consumer protections under existing law to limit the liability of consumers for unauthorized use of a debit card or similar access device. Such report, if submitted, shall include recommendations for legislative initiatives, if any, of the Board, based on its findings.

(b) CONSIDERATIONS.—In preparing a report under subsection (a), the Board may include—

(1) the extent to which section 909 of the Electronic Fund Transfer Act (15 U.S.C. 1693g), as in effect at the time of the report, and the implementing regulations promulgated by the Board to carry out that section provide adequate unauthorized use liability protection for consumers;

(2) the extent to which any voluntary industry rules have enhanced or may enhance

the level of protection afforded consumers in connection with such unauthorized use liability; and

(3) whether amendments to the Electronic Fund Transfer Act (15 U.S.C. 1693 et seq.), or revisions to regulations promulgated by the Board to carry out that Act, are necessary to provide to further address adequate protection for consumers concerning unauthorized use liability.

SEC. ___08. STUDY OF BANKRUPTCY IMPACT OF CREDIT EXTENDED TO DEPENDENT STUDENTS.

(a) STUDY.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study regarding the impact that the extension of credit described in paragraph (2) has on the rate of bankruptcy cases filed under title 11, United States Code.

(2) EXTENSION OF CREDIT.—The extension of credit referred to in paragraph (1) is the extension of credit to individuals who are—

(A) claimed as dependents for purposes of the Internal Revenue Code of 1986; and

(B) enrolled in postsecondary educational institutions.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Senate and the House of Representatives a report summarizing the results of the study conducted under subsection (a).

TORRICELLI AMENDMENTS NOS. 2656–2657

(Ordered to lie on the table.)

Mr. TORRICELLI submitted two amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2656

On page 124, strike lines 10 through 14, and insert the following:

Section 541(a) of title 11, United States Code, is amended—

(1) in paragraph (6), by inserting ''(other than an individual debtor who, in accordance with section 301, files a petition to commence a voluntary case under chapter 11)'' after ''individual debtor''; and

(2) by adding at the end the following:

''(8) Any interest of the debtor in a lease or a license, whether issued by a governmental unit or a person.''.

On page 250, line 24, strike the quotation marks and the final period.

On page 250, after line 24, insert the following:

''(m) REGULATORY POWERS EXCEPTION.—'Police or regulatory power' excludes any act, action, or proceeding that affects property of or from the estate used in whole or in part to secure or satisfy a debt.''.

AMENDMENT NO. 2657

On page 124, strike lines 10 through 14, and insert the following:

Section 541(a) of title 11, United States Code, is amended—

(1) in paragraph (6), by inserting ''(other than an individual debtor who, in accordance with section 301, files a petition to commence a voluntary case under chapter 11)'' after ''individual debtor''; and

(2) by adding at the end the following:

''(8) Any interest of the debtor in a lease or a license, whether issued by a governmental unit or a person.''.

On page 250, line 24, strike the quotation marks and the final period.

On page 250, after line 24, insert the following:

''(m) REGULATORY POWERS EXCEPTION.—'Police or regulatory power' excludes any act, action, or proceeding that affects property of or from the estate used in whole or in part to secure or satisfy a debt.''.

LEVIN (AND OTHERS) AMENDMENT NO. 2658

(Ordered to lie on the table.)

Mr. LEVIN (for himself, Mr. DURBIN, Mr. WYDEN, Mr. KENNEDY, Mrs. FEINSTEIN, Mr. LAUTENBERG, and Mr. SCHUMER) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

On page 124, between lines 14 and 15, insert the following:

SEC. ___. CHAPTER 11 NONDISCHARGEABILITY OF DEBTS ARISING FROM FIREARM-RELATED DEBTS.

(a) IN GENERAL.—Section 1141(d) of title 11, United States Code, as amended by section 708 of this Act, is amended by adding at the end the following:

''(6) Notwithstanding paragraph (1), the confirmation of a plan does not discharge a debtor that is a corporation from any debt that is—

''(A) related to the use or transfer of a firearm (as defined in section 921(3) of title 18 or section 5845(a) of the Internal Revenue Code of 1986); and

''(B) based in whole or in part on fraud, recklessness, misrepresentation, nuisance, negligence, or product liability.''.

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, as amended by section 901(d) of this Act, is amended—

(1) in paragraph (27), by striking ''or'' at the end;

(2) in paragraph (28), by striking the period at the end and inserting ''; or''; and

(3) by inserting after paragraph (28) the following:

''(29) under subsection (a) of this section, of—

''(A) the commencement or continuation, and conclusion to the entry of final judgment or order, of a judicial, administrative, or other action or proceeding for debts that are nondischargeable under section 1141(d)(6); or

''(B) the perfection or enforcement of a judgment or order referred to in subparagraph (A) against property of the estate or property of the debtor.''.

DURBIN AMENDMENTS NOS. 2659–2660

(Ordered to lie on the table.)

Mr. DURBIN submitted two amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2659

On page 18, line 5 insert ''(including a briefing conducted by telephone or on the Internet)'' after ''briefing''.

On page 19, line 15, strike ''petition'' and insert ''petition without court approval.''

AMENDMENT NO. 2660

On page 26, strike line 3 and all that follows through page 27, line 24, and insert the following:

''(C) such agreement contains a clear and conspicuous statement that advises the debtor which portion of the debt to be reaffirmed is attributable to—

''(i) principal;

''(ii) interest;

''(iii) late fees;

''(iv) attorney's fees of the creditor; or

''(v) expenses or other costs relating to the collection of the debt;

(B) in paragraph (5), by striking ''and'' at the end;

(C) in paragraph (6)—

(i) in subparagraph (A)(ii), by striking the period at the end and inserting ''; except that''; and

(ii) by striking subparagraph (B) and inserting the following:

''(B) to the extent that the debt is a consumer debt secured by real property or is a debt described in paragraph (7), subparagraph (A) shall not apply; and''; and

(D) by adding at the end the following:

''(7) in a case concerning an individual—

''(A)(i) the consideration for such agreement is based, in whole or in part, on—

''(I) an unsecured consumer debt; or

''(II) a debt for an item of personalty with a value of $250 or less at the time of purchase; or

''(ii) the creditor asserts a purchase money security interest; and

''(B) the court approves of such agreement as—

''(i) in the best interest of the debtor, in light of the income and expenses of the debtor;

''(ii) not imposing an undue hardship on the future ability of the debtor to pay for the needs of children and other dependents (including court ordered support);

''(iii) not requiring the debtor to pay the attorney's fees, expenses, or other costs of the creditor relating to the collection of the debt;

''(iv) not executed to protect property that is necessary for the care and maintenance of children or other dependents that would have nominal value on repossession;

''(v) not executed after coercive threats or actions by the creditor in the course of dealings between the creditor and the debtor; and

''(vi) not excessive in amount based upon the value of the collateral.''; and

(2) in subsection (d)(2), by striking ''requirements'' and all that follows through the period and inserting ''applicable requirements of paragraphs (6) and (7).''.

DURBIN (AND OTHERS) AMENDMENTS NOS. 2661–2662

(Ordered to lie on the table.)

Mr. DURBIN (for himself, Mr. SCHUMER, and Mr. KENNEDY) submitted two amendments intended to be proposed by them to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2661

On page 7, between line 14 and 15, insert the following:

''unless the conditions described in clause (iA) apply with respect to the debtor.

''(iA) the product of the debtor's current monthly income multiplied by 12—

''(I)(aa) exceeds 100 percent, but does not exceed 150 percent of the national or applicable State median household income reported for a household of equal size, whichever is greater; or

''(bb) in the case of a household of 1 person, exceeds 100 percent but does not exceed 150 percent of the national or applicable State median household income reported for 1 earner, whichever is greater; and

''(II) the product of the debtor's current monthly income (reduced by the amounts determined under clause (ii) (except for the amount calculated under the other necessary expenses standard issued by the Internal Revenue Service and clauses (iii) and (iv) multiplied by 60 is less than the greater of—

''(aa) 25 percent of the debtor's nonpriority unsecured claims in the case; or

''(bb) $15,000.

AMENDMENT NO. 2662

On page 7, between line 14 and 15, insert the following:

''unless the conditions described in clause (iA) or (iB) apply with respect to the debtor.

''(iA) The product of the debtor's current monthly income multiplied by 12 does not exceed

''(I) 100 percent of the national or applicable State median household income reported for a household of equal size, whichever is greater; or

''(II) in the case of a household of 1 person, 100 percent of the national or applicable State median household income for 1 earner, whichever is greater.

''(iB) the product of the debtor's current monthly income multiplied by 12—

''(I)(aa) exceeds 100 percent, but does not exceed 150 percent of the national or applicable State median household income reported for a household of equal size, whichever is greater; or

''(bb) in the case of a household of 1 person, exceeds 100 percent but does not exceed 150 percent of the national or applicable State median household income reported for 1 earner, whichever is greater; and

''(II) the product of the debtor's current monthly income (reduced by the amounts determined under clause (ii) (except for the amount calculated under the other necessary expenses standard issued by the Internal Revenue Service and clauses (iii) and (iv) multiplied by 60 is less than the greater of—

''(aa) 25 percent of the debtor's nonpriority unsecured claims in the case;

''(bb) $15,000.

MOYNIHAN AMENDMENT NO. 2663

(Ordered to lie on the table.)

Mr. MOYNIHAN submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

On page 107, line 7, strike ''(C)(i) for purposes of subparagraph (A)—'' and insert the following:

''(C) for purposes of subparagraph (A)—

''(i) if the debtor, and the spouse of the debtor in a joint case, as of the date of the order for relief, have a total current monthly income greater than the national or applicable State median family monthly income calculated on a monthly basis for a family of equal size, or in the case of a household of one person, the national median household income for one earner (except that for a household of more than 4 individuals, the median income shall be that of a household of 4 individuals, plus $583 for each additional member of that household)—''.

On page 107, lines 8 and 14, move the margins 2 ems to the right.

On page 107, line 19, strike ''and'' and all that follows through line 20 and insert the following:

''(ii) if the debtor and the debtor's spouse combined, as of the date of the order for relief, have a total current monthly income that does not satisfy the conditions of clause (i)—

''(I) consumer debts owed to a single creditor and aggregating more than $1,075 for luxury goods or services incurred by an individual debtor on or within 60 days before the order for relief under this title are presumed to be nondischargeable; and

''(II) cash advances aggregating more than $1,075 that are extensions of consumer credit under an open end credit plan obtained by an individual debtor on or within 60 days before the order for relief under this title are presumed to be nondischargeable; and

''(iii) for purposes of this subparagraph—''.

On page 111, line 20, strike ''(14A)(A) incurred to pay a debt that is'' and insert the following:

''(14A) if the debtor, and the spouse of the debtor in a joint case, as of the date of the order for relief, have a total current monthly income greater than the national or applicable State median family monthly income, calculated on a monthly basis for a family of equal size, or in the case of a household of one person, the national median household income for one earner (except that for a household of more than 4 individuals, the median income shall be that of a household of 4 individuals, plus $583 for each additional member of that household)—

''(A) incurred to pay a debt that is''.

On page 112, line 2, insert '', with respect to debtors with income above the amount stated,'' after ''that''.

KOHL AMENDMENTS NOS. 2664–2666

(Ordered to lie on the table.)

Mr. KOHL submitted three amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2664

On page 124, insert between lines 14 and 15 the following:

SEC. 322. EXCLUDING EMPLOYEE BENEFIT PLAN PARTICIPANT CONTRIBUTIONS AND OTHER PROPERTY FROM THE ESTATE.

(a) IN GENERAL.—Section 541(b) of title 11, United States Code, as amended by section 903 of this Act, is amended—

(1) by striking ''or'' at the end of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (7); and

(3) by inserting after paragraph (5) the following:

''(6) any amount—

''(A) withheld by an employer from the wages of employees for payment as contributions to—

''(i) an employee benefit plan subject to title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.); or

''(ii) a health insurance plan regulated by State law whether or not subject to such title; or

''(B) received by the employer from employees for payment as contributions to—

''(i) an employee benefit plan subject to title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.); or

''(ii) a health insurance plan regulated by State law whether or not subject to such title;''.

(b) APPLICATION OF AMENDMENT.—The amendment made by this section shall not apply to cases commenced under title 11, United States Code, before the expiration of the 180-day period beginning on the date of the enactment of this Act.

AMENDMENT NO. 2665

On page 124, insert between lines 14 and 15 the following:

SEC. 322. CLARIFICATION OF POSTPETITION WAGES AND BENEFITS.

Section 503(b)(1)(A) of title 11, United States Code, is amended to read as follows:

''(A) the actual, necessary costs and expenses of preserving the estate, including wages, salaries, or commissions for services rendered after the commencement of the case, and wages and benefits awarded as back pay attributable to any period of time after commencement of the case as a result of the debtor's violation of Federal or State law, without regard to when the original unlawful act occurred or to whether any services were rendered;''.

AMENDMENT NO. 2666

On page 96, line 23 strike all through page 97, line 11 and insert the following:

(b) RESTORING THE FOUNDATION FOR SECURED CREDIT.—Section 506 of title 11, United States Code, is amended by adding at the end the following:

''(e) In an individual case under chapter 7, 11, 12, or 13—

''(1) except for the purpose of applying paragraph (3) of this subsection, subsection (a) shall not apply to an allowed claim that is attributable to the purchase price of personal property if—

''(A) the holder of the claim has a security interest in that property; and

''(B) the property was purchased by the debtor within 180 days before the filing of the petition;

''(2) if an allowed claim referred to in paragraph (1) is secured only by the personal property acquired, the value of the personal property described in that paragraph and the amount of the allowed secured claim shall be the sum of—

''(A) the unpaid principal balance of the purchase price; and

''(B) the accrued and unpaid interest and charges at the applicable contract rate attributable to such property;

''(3) if an allowed claim referred to in paragraph (1) is secured by the personal property described in that paragraph and other property, the value of the security may be determined under subsection (a), except that the value of the security and the amount of the allowed secured claim shall not be less than—

''(A) the unpaid principal balance of the purchase price of the personal property described in paragraph (1); and

''(B) any unpaid interest and charges at the contract rate attributable to the property acquired; and

''(4) in any case under this title that is filed subsequently by or against the debtor in the original case, the value of the personal property described in paragraph (1) and the amount of the allowed secured claim with respect to that property shall be deemed to be not less than an amount determined in the same manner as the original under paragraph (2) or (3).''.

FEINGOLD AMENDMENT NO. 2667

(Ordered to lie on the table.)

Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place in the bill, insert the following:

TITLE ___—EAST TIMOR SELF-DETERMINATION ACT OF 1999

SEC. ___01. SHORT TITLE.

This title may be cited as the ''East Timor Self-Determination Act of 1999''.

SEC. ___02. FINDINGS; PURPOSE; SENSE OF SENATE.

(a) CONGRESSIONAL FINDINGS.—

(1) On August 30, 1999, in accordance with the May 5, 1999, agreement between Indonesia and Portugal brokered by the United Nations, and subsequent agreements between the United Nations and the governments of Indonesia and Portugal, a popular consultation took place, in which 78.5 percent of East Timorese rejected integration with Indonesia, setting the stage for a transition to independence pursuant to the terms of the May 5, 1999, agreement.

(2) On October 19, 1999, the Indonesian People's Consultative Assembly agreed to ratify the August 30, 1999, vote results, leading the United Nations Security Council, on October 25, 1999, to authorize a United Nations Transitional Administration in East Timor

(UNTAET), which was to include deployment of an international police and military force with up to 1,640 officers and 8,950 troops.

(3) The United Nations Commission on Human Rights, in a special session meeting on September 27, 1999, called on the United Nations Secretary General to establish an international commission of inquiry to investigate violations of human rights in East Timor, and urged the cooperation of the Indonesian government and military.

(4) The Secretary General subsequently directed Mary Robinson, the United Nations High Commissioner on Human Rights, to appoint a United Nations commission on October 15, 1999, which is due to report its conclusion to the Secretary General by December 31, 1999.

(5) The Indonesian People's Consultative Assembly on October 20, 1999, chose Abdurrahman Wahid as President of the Republic of Indonesia and the next day also chose as Vice President, Megawati Soekarnoputri

(6) President Wahid has invited Xanana Gusmao to meet and has written to the United Nations Secretary General officially informing him of the decision to end Indonesia's administration of East Timor, and of East Timor's independence, and expressing his hope ''that East Timor will become an independent state''.

(7) As of late October 1999, according to United Nations officials and other independent observers, more than 200,000 East Timorese remain displaced in camps in West Timor and elsewhere in Indonesia, under constant threat by civilian militia and in some cases denied access to assistance by the United Nations humanitarian agencies.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the United States should congratulate the people of Indonesia on its democratic transition and welcome the efforts of the new Indonesian government to bring a peaceful end to the crisis in East and West Timor;

(2) the results of the August 30, 1999, vote on East Timor's political status, which expressed the will of a majority of the Timorese people, should be fully implemented;

(3) economic recovery in Indonesia is essential to political and economic stability in the region; and

(4) the President, the Secretary of State, the Secretary of the Treasury, and Congress should work with the people of Indonesia to restore Indonesia's economic vitality.

(c) PURPOSE.—The purpose of this Act is to encourage the government of Indonesia and the armed forces of Indonesia to take such additional steps as are necessary to create a peaceful environment in which the United Nations Assistance Mission to East Timor (UNAMET), the International Force for East Timor (INTERFET), and the United Nations Transitional Administration in East Timor (UNTAET) can fulfill their mandates and implement the results of the August 30, 1999, vote on East Timor's political status.

SEC. ___03. SUSPENSION OF SECURITY ASSISTANCE.

(a) SUSPENSION AND SUPPORT.—

(1) ASSISTANCE.—None of the funds appropriated or otherwise made available under the following provisions of law (including unexpended balances of prior year appropriations) may be available for Indonesia:

(A) The Foreign Military Financing Program under section 23 of the Arms Export Control Act.

(B) Chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to military assistance).

(C) Chapter 5 of part II of the Foreign Assistance Act of 1961 (relating to international military education and training assistance).

(D) Section 2011 of title 10, United States Code.

(2) LICENSING.—None of the funds appropriated or otherwise made available under any provision of law (including unexpended balances of prior year appropriations) may be available for licensing exports of defense articles or defense services to Indonesia under section 38 of the Arms Export Control Act.

(3) EXPORTATION.—No defense article or defense service may be exported or delivered to Indonesia or East Timor by any United States person (as defined in section 16 of the Export Administration Act of 1979 (50 U.S.C. App. 2415)) or any other person subject to the jurisdiction of the United States except as may be necessary to support the operations of an international peacekeeping force in East Timor or in connection with the provision of humanitarian assistance.

(4) PROHIBITION ON PARTICIPATION IN ASIA-PACIFIC CENTER FOR SECURITY STUDIES.—Programs of the Asia-Pacific Center for Security Studies may not include participants who are members of the armed forces of Indonesia or any representatives of the armed forces of Indonesia.

(5) PROHIBITION ON ASSISTANCE THROUGH MILITARY-TO-MILITARY CONTACTS.—The authority for military-to-military contacts and comparable activities under section 168 of title 10, United States Code, may not be exercised in a manner that provides any assistance to the government or armed forces of Indonesia.

(b) INAPPLICABILITY TO CERTAIN ITEMS AND SERVICES ON THE UNITED STATES MUNITIONS LIST.—Paragraphs (2) and (3) of subsection (a) do not apply to the export, delivery, or servicing of any item or service that, while on the Commerce Control List of dual-use items in the Export Administration Regulations, was licensed by the Department of Commerce for export to Indonesia but is in a category of items or services that, within two years before the date of the enactment of this Act, was transferred by law to the United States Munitions List for control under section 38 of the Arms Export Control Act (22 U.S.C. 2778).

(c) CONDITIONS FOR TERMINATION.—Subject to subsection (b), the measures described in subsection (a) shall apply with respect to the government and armed forces of Indonesia until the President determines and certifies to the appropriate congressional committees that the Indonesian government and the Indonesian armed forces are—

(1) taking effective measures to bring to justice members of the Indonesian armed forces and militia groups against whom there is credible evidence of human rights violations;

(2) demonstrating a commitment to accountability by cooperating with investigations and prosecutions of members of the Indonesian armed forces and militia groups responsible for human rights violations in Indonesia and East Timor;

(3) taking effective measures to bring to justice members of the Indonesian armed forces against whom there is credible evidence of aiding or abetting militia groups;

(4) allowing displaced persons and refugees to return home to East Timor, including providing safe passage for refugees returning from West Timor;

(5) not impeding the activities of the International Force in East Timor (INTERFET) or its successor, the United Nations Transitional Administration in East Timor (UNTAET);

(6) ensuring freedom of movement in West Timor, including by humanitarian organizations; and

(7) demonstrating a commitment to preventing incursions into East Timor by members of militia groups in West Timor.

SEC. ___04. MULTILATERAL EFFORTS.

The President should continue to coordinate with other countries, particularly member states of the Asia-Pacific Economic Cooperation (APEC) Forum, to develop a comprehensive, multilateral strategy to further the purposes of this Act, including urging other countries to take measures similar to those described in this title.

SEC. ___05. REPORT.

Not later than 30 days after the date of enactment of this Act, and every 6 months thereafter until the end of the UNTAET mandate, the Secretary of State shall submit a report to the appropriate congressional committees on the progress of the Indonesian government toward the meeting the conditions contained in paragraphs (1) through (7) of section ___03(c) and on the progress of East Timor toward becoming an independent nation.

SEC. ___06. APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.

In this title, the term ''appropriate congressional committees'' means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

HUTCHISON (AND BROWNBACK) AMENDMENTS NOS. 2668–2669

(Ordered to lie on the table.)

Mrs. HUTCHISON (for herself and Mr. BROWNBACK) submitted 2 amendments intended to be proposed by them to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2668

At the appropriate place in the bill, add the following:

SEC. 1. HOMESTEAD EXEMPTION OPT OUT.

The provisions relating to a Federal homestead exemption shall not apply to debtors if applicable State law provides by statute that such provisions shall not apply to debtors and shall not take effect in any State before the end of the first regular session of the State legislature following the date of enactment of this Act.

SEC. 2. SENIOR CITIZEN EXEMPTION

The provisions relating to a Federal homestead exemption shall not apply to debtors who are 65 years of age or older.

AMENDMENT NO. 2669

At the appropriate place in the bill, add the following:

SEC. ___. HOMESTEAD EXEMPTION OPT OUT.

The provisions relating to a Federal homestead exemption shall not apply to debtors if applicable State law provides by statute that such provisions shall not apply to debtors and shall not take effect in any State before the end of the first regular session of the State legislature following the date of enactment of this Act. This paragraph shall not apply to the status of Alabama and Wisconsin.

BROWNBACK AMENDMENTS NOS. 2670–2741

(Ordered to lie on the table.)

Mr. BROWNBACK submitted 72 amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2670

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''34 percent''.

AMENDMENT NO. 2671

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''45 percent''.

AMENDMENT NO. 2672

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''46 percent''.

AMENDMENT NO. 2673

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''47 percent''.

AMENDMENT NO. 2674

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''48 percent''.

AMENDMENT NO. 2675

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''29 percent''.

AMENDMENT NO. 2676

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''30 percent''.

AMENDMENT NO. 2677

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''31 percent''.

AMENDMENT NO. 2678

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''32 percent''.

AMENDMENT NO. 2679

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''33 percent''.

AMENDMENT NO. 2680

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''49 percent''.

AMENDMENT NO. 2681

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''41 percent''.

AMENDMENT NO. 2682

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''42 percent''.

AMENDMENT NO. 2683

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''43 percent''.

AMENDMENT NO. 2684

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''44 percent''.

AMENDMENT NO. 2685

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''46 percent''.

AMENDMENT NO. 2686

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''79 percent''.

AMENDMENT NO. 2687

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''39 percent''.

AMENDMENT NO. 2688

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''45 percent''.

AMENDMENT NO. 2689

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''44 percent''.

AMENDMENT NO. 2690

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''64 percent''.

AMENDMENT NO. 2691

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''65 percent''.

AMENDMENT NO. 2692

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''66 percent''.

AMENDMENT NO. 2693

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''67 percent''.

AMENDMENT NO. 2694

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''68 percent''.

AMENDMENT NO. 2695

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''69 percent''.

AMENDMENT NO. 2696

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''70 percent''.

AMENDMENT NO. 2697

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''71 percent''.

AMENDMENT NO. 2698

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''72 percent''.

AMENDMENT NO. 2699

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''73 percent''.

AMENDMENT NO. 2700

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''74 percent''.

AMENDMENT NO. 2701

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''75 percent''.

AMENDMENT NO. 2702

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''76 percent''.

AMENDMENT NO. 2703

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''77 percent''.

AMENDMENT NO. 2704

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''78 percent''.

AMENDMENT NO. 2705

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''29 percent''.

AMENDMENT NO. 2706

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''30 percent''.

AMENDMENT NO. 2707

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''31 percent''.

AMENDMENT NO. 2708

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''32 percent''.

AMENDMENT NO. 2709

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''33 percent''.

AMENDMENT NO. 2710

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''34 percent''.

AMENDMENT NO. 2711

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''35 percent''.

AMENDMENT NO. 2712

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''36 percent''.

AMENDMENT NO. 2713

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''37 percent''.

AMENDMENT NO. 2714

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''40 percent''.

AMENDMENT NO. 2715

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''41 percent''.

AMENDMENT NO. 2716

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''38 percent''.

AMENDMENT NO. 2717

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''56 percent''.

AMENDMENT NO. 2718

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''57 percent''.

AMENDMENT NO. 2719

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''58 percent''.

AMENDMENT NO. 2720

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''59 percent''.

AMENDMENT NO. 2721

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''60 percent''.

AMENDMENT NO. 2722

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''61 percent''.

AMENDMENT NO. 2723

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''42 percent''.

AMENDMENT NO. 2724

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''43 percent''.

AMENDMENT NO. 2725

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''47 percent''.

AMENDMENT NO. 2726

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''48 percent''.

AMENDMENT NO. 2727

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''49 percent''.

AMENDMENT NO. 2728

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''50 percent''.

AMENDMENT NO. 2729

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''51 percent''.

AMENDMENT NO. 2730

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''52 percent''.

AMENDMENT NO. 2731

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''53 percent''.

AMENDMENT NO. 2732

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''54 percent''.

AMENDMENT NO. 2733

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''55 percent''.

AMENDMENT NO. 2734

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''62 percent''.

AMENDMENT NO. 2735

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''63 percent''.

AMENDMENT NO. 2736

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''35 percent''.

AMENDMENT NO. 2737

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''36 percent''.

AMENDMENT NO. 2738

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''37 percent''.

AMENDMENT NO. 2739

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''38 percent''.

AMENDMENT NO. 2740

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''39 percent''.

AMENDMENT NO. 2741

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''40 percent''.

GREGG (AND OTHERS) AMENDMENT NO. 2742

(Ordered to lie on the table.)

Mr. GREGG (for himself, Ms. COLLINS, Mr. ABRAHAM, Mr. COVERDELL, Mr. FRIST, Mr. BROWNBACK, and Mr. HUTCHINSON) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following new titles:

TITLE ___—TEACHER EMPOWERMENT

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Teacher Empowerment Act''.

SEC. ___02. TEACHER EMPOWERMENT.

(a) IN GENERAL.—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) is amended—

(1) by striking the heading for title II and inserting the following:

''TITLE II—TEACHER QUALITY'';

(2) by repealing sections 2001 through 2003; and

(3) by amending part A to read as follows:

''PART A—TEACHER EMPOWERMENT

''SEC. 2001. PURPOSE.

''The purpose of this part is to provide grants to States and local educational agencies, in order to assist their efforts to increase student academic achievement through such strategies as improving teacher quality.

''Subpart 1—Grants to States

''SEC. 2011. FORMULA GRANTS TO STATES.

''(a) IN GENERAL.—In the case of each State that, in accordance with section 2014, submits to the Secretary and obtains approval of an application for a fiscal year, the Secretary shall make a grant for the year to the State for the uses specified in section 2012. The grant shall consist of the allotment determined for the State under subsection (b).

''(b) DETERMINATION OF AMOUNT OF ALLOTMENT.—

''(1) RESERVATION OF FUNDS.—

''(A) IN GENERAL.—From the total amount made available to carry out this subpart for any fiscal year, the Secretary shall reserve—

''(i) ½ of 1 percent for allotments for the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, to be distributed among those outlying areas on the basis of their relative need, as determined by the Secretary in accordance with the purpose of this part; and

''(ii) ½ of 1 percent for the Secretary of the Interior for programs under this part for professional development activities for teachers, other staff, and administrators in schools operated or funded by the Bureau of Indian Affairs.

''(B) LIMITATION.—In reserving an amount for the purposes described in clauses (i) and (ii) of subparagraph (A) for a fiscal year, the Secretary shall not reserve more than the total amount the outlying areas and the schools operated or funded by the Bureau of Indian Affairs received under the authorities described in paragraph (2)(A)(i) for fiscal year 1999.

''(2) STATE ALLOTMENTS.—

''(A) HOLD HARMLESS.—

''(i) IN GENERAL.—Subject to subparagraph (B), from the total amount made available to carry out this subpart for any fiscal year and not reserved under paragraph (1), the Secretary shall allot to each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico an amount equal to the total amount that such State received for fiscal year 1999 under—

''(I) section 2202(b) of this Act (as in effect on the day before the date of enactment of the Teacher Empowerment Act); and

''(II) section 307 of the Department of Education Appropriations Act, 1999.

''(ii) RATABLE REDUCTION.—If the total amount made available to carry out this subpart for any fiscal year and not reserved under paragraph (1) is insufficient to pay the full amounts that all States are eligible to receive under clause (i) for any fiscal year, the Secretary shall ratably reduce such amounts for such fiscal year.

''(B) ALLOTMENT OF ADDITIONAL FUNDS.—

''(i) IN GENERAL.—Subject to clause (ii), for any fiscal year for which the total amount made available to carry out this subpart and not reserved under paragraph (1) exceeds the total amount made available to the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico for fiscal year 1999 under the authorities described in subparagraph (A)(i), the Secretary shall allot to each of those States the sum of—

''(I) an amount that bears the same relationship to 50 percent of the excess amount as the number of individuals age 5 through 17 in the State, as determined by the Secretary on the basis of the most recent satisfactory data, bears to the number of those individuals in all such States, as so determined; and

''(II) an amount that bears the same relationship to 50 percent of the excess amount as the number of individuals age 5 through 17 from families with incomes below the poverty line in the State, as determined by the Secretary on the basis of the most recent satisfactory data, bears to the number of those individuals in all such States, as so determined.

''(ii) EXCEPTION.—No State receiving an allotment under clause (i) may receive less than ½ of 1 percent of the total excess amount allotted under clause (i) for a fiscal year.

''(3) REALLOTMENT.—If any State does not apply for an allotment under this subsection for any fiscal year, the Secretary shall reallot such amount to the remaining States in accordance with this subsection.

''SEC. 2012. ALLOCATIONS WITHIN STATES.

''(a) USE OF FUNDS.—Each State receiving a grant under this subpart shall use the funds provided under the grant in accordance with this section to carry out activities for the improvement of teaching and learning.

''(b) REQUIRED AND AUTHORIZED EXPENDITURES.—

''(1) REQUIRED EXPENDITURES.—The Secretary may make a grant to a State under this subpart only if the State agrees to expend not less than 90 percent of the amount of the funds provided under the grant for the purpose of making subgrants to local educational agencies and eligible partnerships (as defined in section 2021(d)), in accordance with subsection (c).

''(2) AUTHORIZED EXPENDITURES.—A State that receives a grant under this subpart may expend a portion equal to not more than 10 percent of the amount of the funds provided under the grant for 1 or more of the authorized State activities described in section 2013 or to make grants to eligible partnerships to enable the partnerships to carry out subpart 2 (but not more than 5 percent of such portion may be used for planning and administration related to carrying out such purpose).

''(c) DISTRIBUTION OF SUBGRANTS TO LOCAL EDUCATIONAL AGENCIES AND ELIGIBLE PARTNERSHIPS.—

''(1) ALLOCATIONS TO LOCAL EDUCATIONAL AGENCIES.—

''(A) IN GENERAL.—Subject to subparagraph (B), a State receiving a grant under this subpart shall distribute a portion equal to 80 percent of the amount described in subsection (b)(1) by allocating to each eligible local educational agency the sum of—

''(i) an amount that bears the same relationship to 50 percent of the portion as the number of individuals enrolled in public and private nonprofit elementary schools and secondary schools in the geographic area served by the agency bears to the number of those individuals in the geographic areas served by all the local educational agencies in the State; and

''(ii) an amount that bears the same relationship to 50 percent of the portion as the number of individuals age 5 through 17 from families with incomes below the poverty line, in the geographic area served by the agency, as determined by the Secretary on

the basis of the most recent satisfactory data, bears to the number of those individuals in the geographic areas served by all the local educational agencies in the State, as so determined.

''(B) ALTERNATIVE FORMULA.—A State may increase the percentage described in subparagraph (A)(ii) (and commensurately decrease the percentage described in subparagraph (A)(i)).

''(C) USE OF FUNDS.—The State shall make subgrants to local educational agencies from allocations made under this paragraph to enable the agencies to carry out subpart 3.

''(2) COMPETITIVE SUBGRANTS TO LOCAL EDUCATIONAL AGENCIES AND ELIGIBLE PARTNERSHIPS.—

''(A) COMPETITIVE PROCESS.—A State receiving a grant under this subpart shall distribute a portion equal to 20 percent of the amount described in subsection (b)(1) through a competitive process.

''(B) PARTICIPANTS.—The competitive process carried out under subparagraph (A) shall be open to local educational agencies and eligible partnerships (as defined in section 2021(d)). In carrying out the process, the State shall give priority to high-need local educational agencies that focus on math, science, or reading professional development programs.

''(C) SUBGRANTS TO ELIGIBLE PARTNERSHIPS.—A State receiving a grant under this subpart shall distribute at least 3 percent of the portion described in subparagraph (A) to the eligible partnerships through the competitive process.

''(D) USE OF FUNDS.—In distributing funds under this paragraph, the State shall make subgrants—

''(i) to local educational agencies to enable the agencies to carry out subpart 3; and

''(ii) to the eligible partnerships to enable the partnerships to carry out subpart 2 (but not more than 5 percent of the funds made available to the eligible partnerships through the subgrants may be used for planning and administration related to carrying out such purpose).

''SEC. 2013. STATE USE OF FUNDS.

''(a) AUTHORIZED STATE ACTIVITIES.—The authorized State activities referred to in section 2012(b)(2) are the following:

''(1) Reforming teacher certification (including recertification) or licensure requirements to ensure that—

''(A) teachers have the necessary teaching skills and academic content knowledge in the academic subjects in which the teachers are assigned to teach;

''(B) the requirements are aligned with the State's challenging State content standards; and

''(C) teachers have the knowledge and skills necessary to help students meet challenging State student performance standards.

''(2) Carrying out programs that—

''(A) include support during the initial teaching experience, such as mentoring programs; and

''(B) establish, expand, or improve alternative routes to State certification of teachers for highly qualified individuals with a baccalaureate degree, including mid-career professionals from other occupations, paraprofessionals, former military personnel, and recent college or university graduates with records of academic distinction who demonstrate the potential to become highly effective teachers.

''(3) Developing and implementing effective mechanisms to assist local educational agencies and schools in effectively recruiting and retaining highly qualified and effective teachers and principals.

''(4) Reforming tenure systems and implementing teacher testing and other procedures to remove expeditiously incompetent and ineffective teachers from the classroom.

''(5) Developing or improving systems of performance measures to evaluate the effectiveness of professional development programs and activities in improving teacher quality, skills, and content knowledge, and increasing student achievement.

''(6) Developing or improving systems to evaluate the impact of teachers on student achievement.

''(7) Providing technical assistance to local educational agencies consistent with this part.

''(8) Funding projects to promote reciprocity of teacher certification or licensure between or among States, except that no reciprocity agreement developed under this paragraph or developed using funds provided under this part may lead to the weakening of any State teaching certification or licensing requirement.

''(9) Developing or assisting local educational agencies or eligible partnerships (as defined in section 2021(d)) in the development and utilization of proven, innovative strategies to deliver intensive professional development programs and activities that are both cost-effective and easily accessible, such as through the use of technology and distance learning.

''(b) COORDINATION.—A State that receives a grant to carry out this subpart and a grant under section 202 of the Higher Education Act of 1965 (20 U.S.C. 1022) shall coordinate the activities carried out under this section and the activities carried out under that section 202.

''(c) PUBLIC ACCOUNTABILITY.—

''(1) IN GENERAL.—A State that receives a grant under this subpart—

''(A) in the event the State provides public State report cards on education, shall include in such report cards information on the State's progress with respect to—

''(i) subject to paragraph (2), improving student academic achievement, as defined by the State;

''(ii) closing academic achievement gaps, as defined by the State, between groups described in paragraph (2)(A)(i); and

''(iii) increasing the percentage of classes in core academic subjects that are taught by highly qualified teachers; or

''(B) in the event the State provides no such report card, shall publicly report the information described in subparagraph (A) through other means.

''(2) DISAGGREGATED DATA.—The information described in clauses (i) and (ii) of paragraph (1)(A) and clauses (i) and (ii) of section 2014(b)(2)(A) shall be—

''(A) disaggregated—

''(i) by minority and non-minority group and by low-income and non-low-income group; and

''(ii) using assessments under section 1111(b)(3); and

''(B) publicly reported in the form of disaggregated data only when such data are statistically sound.

''(3) PUBLIC AVAILABILITY.—Such information shall be made widely available to the public, including parents and students, through major print and broadcast media outlets throughout the State.

''SEC. 2014. APPLICATIONS BY STATES.

''(a) IN GENERAL.—To be eligible to receive a grant under this subpart, a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

''(b) CONTENTS.—Each application submitted under this section shall include the following:

''(1) A description of how the State will ensure that a local educational agency receiving a subgrant to carry out subpart 3 will comply with the requirements of such subpart.

''(2)(A) A description of the performance indicators that the State will use to measure the annual progress of the local educational agencies and schools in the State with respect to—

''(i) subject to section 2013(c)(2), improving student academic achievement, as defined by the State;

''(ii) closing academic achievement gaps, as defined by the State, between groups described in section 2013(c)(2)(A)(i); and

''(iii) increasing the percentage of classes in core academic subjects that are taught by highly qualified teachers.

''(B) An assurance that the State will require each local educational agency and school in the State receiving funds under this part to publicly report information on the agency's or school's annual progress, as measured by the performance indicators.

''(3) A description of how the State will hold the local educational agencies and schools accountable for making annual gains toward meeting the performance indicators described in paragraph (2).

''(4)(A) A description of how the State will coordinate professional development activities authorized under this part with professional development activities provided under other Federal, State, and local programs, including those authorized under title I, title III, title IV, part A of title VII, and (where applicable) the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) and the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.).

''(B) A description of the comprehensive strategy that the State will use as part of the effort to carry out the coordination, to ensure that teachers are trained in the utilization of technology so that technology and technology applications are effectively used in the classroom to improve teaching and learning in all curriculum areas and academic subjects, as appropriate.

''(5) A description of how the State will encourage the development of proven, innovative strategies to deliver intensive professional development programs that are both cost-effective and easily accessible, such as through the use of technology and distance learning.

''(c) APPLICATION SUBMISSION.—A State application submitted to the Secretary under this section shall be approved by the Secretary unless the Secretary makes a written determination, within 90 days after receiving the application, that the application is in violation of the provisions of this Act.

''Subpart 2—Subgrants to Eligible Partnerships

''SEC. 2021. PARTNERSHIP GRANTS.

''(a) IN GENERAL.—From the amount described in section 2012(c)(2)(C), the State agency for higher education, working in conjunction with the State educational agency (if such agencies are separate), shall award subgrants on a competitive basis under section 2012(c) to eligible partnerships to enable such partnerships to carry out activities described in subsection (b). Such subgrants shall be equitably distributed by geographic area within the State.

''(b) USE OF FUNDS.—An eligible partnership that receives funds under section 2012 shall use the funds for—

''(1) professional development activities in core academic subjects to ensure that teachers have content knowledge in the academic subjects that the teachers teach; and

''(2) developing and providing assistance to local educational agencies and the teachers, principals, and administrators of public and private schools served by each such agency,

for sustained, high-quality professional development activities that—

''(A) ensure the agencies and individuals are able to use State content standards, performance standards, and assessments to improve instructional practices and improve student achievement; and

''(B) may include intensive programs designed to prepare teachers who will return to a school to provide such instruction to other teachers within such school.

''(c) SPECIAL RULE.—No single participant in an eligible partnership may use more than 50 percent of the funds made available to the partnership under section 2012.

''(d) COORDINATION.—An eligible partnership that receives a grant to carry out this subpart and a grant under section 203 of the Higher Education Act of 1965 (20 U.S.C. 1023) shall coordinate the activities carried out under this section and the activities carried out under that section 203.

''(e) ELIGIBLE PARTNERSHIP.—In this section, the term 'eligible partnership' means an entity that—

''(1) shall include—

''(A) a high-need local educational agency;

''(B) a school of arts and sciences; and

''(C) an institution that prepares teachers; and

''(2) may include other local educational agencies, a public charter school, a public or private elementary school or secondary school, an educational service agency, a public or private nonprofit educational organization, or a business.

''Subpart 3—Subgrants to Local Educational Agencies

''SEC. 2031. LOCAL USE OF FUNDS.

''(a) REQUIRED ACTIVITIES.—

''(1) IN GENERAL.—Each local educational agency that receives a subgrant to carry out this subpart shall use the subgrant to carry out the activities described in this subsection.

''(2) REQUIRED PROFESSIONAL DEVELOPMENT ACTIVITIES.—

''(A) MATHEMATICS AND SCIENCE.—

''(i) IN GENERAL.—Each local educational agency that receives a subgrant to carry out this subpart shall use a portion of the funds made available through the subgrant for professional development activities in mathematics and science in accordance with section 2032.

''(ii) GRANDFATHER OF OLD WAIVERS.—A waiver provided to a local educational agency under part D of title XIV prior to the date of enactment of the Teacher Empowerment Act shall be deemed to be in effect until such time as the waiver otherwise would have ceased to be effective.

''(B) PROFESSIONAL DEVELOPMENT ACTIVITIES.—Each local educational agency that receives a subgrant to carry out this subpart shall use a portion of the funds made available through the subgrant for professional development activities that give teachers, principals, and administrators the knowledge and skills to provide students with the opportunity to meet challenging State or local content standards and student performance standards. Such activities shall be consistent with section 2032.

''(b) ALLOWABLE ACTIVITIES.—Each local educational agency that receives a subgrant to carry out this subpart may use the funds made available through the subgrant to carry out the following activities:

''(1) Recruiting and hiring certified or licensed teachers, including teachers certified through State and local alternative routes, in order to reduce class size, or hiring special education teachers.

''(2) Initiatives to assist in recruitment of highly qualified teachers who will be assigned teaching positions within their fields, including—

''(A) providing signing bonuses or other financial incentives, such as differential pay, for teachers to teach in academic subjects in which there exists a shortage of such teachers within a school or the area served by the local educational agency;

''(B) establishing programs that—

''(i) recruit professionals from other fields and provide such professionals with alternative routes to teacher certification; and

''(ii) provide increased opportunities for minorities, individuals with disabilities, and other individuals underrepresented in the teaching profession; and

''(C) implementing hiring policies that ensure comprehensive recruitment efforts as a way to expand the applicant pool of teachers, such as identifying teachers certified through alternative routes, and by implementing a system of intensive screening designed to hire the most qualified applicants.

''(3) Initiatives to promote retention of highly qualified teachers and principals, including—

''(A) programs that provide mentoring to newly hired teachers, such as mentoring from master teachers, and to newly hired principals; and

''(B) programs that provide other incentives, including financial incentives, to retain teachers who have a record of success in helping low-achieving students improve their academic success.

''(4) Programs and activities that are designed to improve the quality of the teacher force, such as—

''(A) innovative professional development programs (which may be through partnerships including institutions of higher education), including programs that train teachers to utilize technology to improve teaching and learning, that are consistent with the requirements of section 2032;

''(B) development and utilization of proven, cost-effective strategies for the implementation of professional development activities, such as through the utilization of technology and distance learning;

''(C) professional development programs that provide instruction in how to teach children with different learning styles, particularly children with disabilities and children with special learning needs (including children who are gifted and talented); and

''(D) professional development programs that provide instruction in how best to discipline children in the classroom and identify early and appropriate interventions to help children described in subparagraph (C) to learn.

''(5) Programs and activities related to—

''(A) tenure reform;

''(B) provision of merit pay; and

''(C) testing of elementary school and secondary school teachers in the academic subjects taught by such teachers.

''(6) Activities that provide teacher opportunity payments, consistent with section 2033.

''SEC. 2032. PROFESSIONAL DEVELOPMENT FOR TEACHERS.

''(a) LIMITATION RELATING TO CURRICULUM AND ACADEMIC SUBJECTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), funds made available to carry out this subpart may not be provided for a teacher and a professional development activity if the activity is not—

''(A) directly related to the curriculum and academic subjects in which the teacher provides instruction; or

''(B) designed to enhance the ability of the teacher to understand and use State standards for the academic subjects in which the teacher provides instruction.

''(2) EXCEPTION.—Paragraph (1) shall not be construed to prohibit the use of the funds for professional development activities that provide instruction described in subparagraphs (C) and (D) of section 2031(b)(4).

''(b) OTHER REQUIREMENTS.—Professional development activities provided under this subpart—

''(1) shall be measured, in terms of progress, using the specific performance indicators established by the State involved in accordance with section 2014(b)(2);

''(2) shall be tied to challenging State or local content standards and student performance standards;

''(3) shall be tied to scientifically based research demonstrating the effectiveness of the activities in increasing student achievement or substantially increasing the knowledge and teaching skills of the teachers participating in the activities;

''(4) shall be of sufficient intensity and duration to have a positive and lasting impact on the performance of a teacher in the classroom (which shall not include 1-day or short-term workshops and conferences), except that this paragraph shall not apply to an activity if such activity is 1 component described in a long-term comprehensive professional development plan established by the teacher and the teacher's supervisor based upon an assessment of the needs of the teacher, the students of the teacher, and the local educational agency involved; and

''(5) shall be developed with extensive participation of teachers, principals, and administrators of schools to be served under this part.

''(c) ACCOUNTABILITY AND REQUIRED PAYMENTS.—

''(1) IN GENERAL.—A State shall notify a local educational agency that the agency may be subject to the requirement of paragraph (3) if, after any fiscal year, the State determines that the professional development activities funded by the agency under this subpart fail to meet the requirements of subsections (a) and (b).

''(2) TECHNICAL ASSISTANCE.—A local educational agency that has received notification pursuant to paragraph (1) may request technical assistance from the State in order to provide the opportunity for such local educational agency to comply with the requirements of subsections (a) and (b).

''(3) REQUIREMENT TO PROVIDE TEACHER OPPORTUNITY PAYMENTS.—

''(A) IN GENERAL.—A local educational agency that has received notification from the State pursuant to paragraph (1) during any 2 consecutive fiscal years shall expend under section 2033 for the succeeding fiscal year a proportion of the funds made available to the agency to carry out this subpart equal to the proportion of such funds expended by the agency for professional development activities for the second fiscal year in which the agency received the notification.

''(B) REQUESTS.—On request by a group of teachers in schools served by the local educational agency, the agency shall use a portion of the funds provided to the agency to carry out this subpart, to provide payments in accordance with section 2033.

''(d) DEFINITION.—In this section, the term 'professional development activity' means an activity described in subsection (a)(2) or (b)(4) of section 2031.

''SEC. 2033. TEACHER OPPORTUNITY PAYMENTS.

''(a) IN GENERAL.—A local educational agency receiving funds to carry out this subpart may (or in the case of section 2032(c)(3), shall) provide payments directly to a teacher or a group of teachers seeking opportunities to participate in a professional development activity of their choice.

''(b) NOTICE TO TEACHERS.—Each local educational agency distributing payments under this section—

''(1) shall establish and implement a timely process through which proper notice of availability of the payments will be given to all teachers in schools served by the agency; and

''(2) shall develop a process through which teachers will be specifically recommended by principals to participate in such opportunities by virtue of—

''(A) the teachers' lack of full certification or licensing to teach the academic subjects in which the teachers teach; or

''(B) the teachers' need for additional assistance to ensure that their students make progress toward meeting challenging State content standards and student performance standards.

''(c) SELECTION OF TEACHERS.—In the event adequate funding is not available to provide payments under this section to all teachers seeking such payments, or recommended under subsection (b)(2), a local educational agency shall establish procedures for selecting teachers for the payments, which shall provide priority for those teachers recommended under subsection (b)(2).

''(d) ELIGIBLE ACTIVITY.—A teacher receiving a payment under this section shall have the choice of attending any professional development activity that meets the criteria set forth in subsections (a) and (b) of section 2032.

''SEC. 2034. LOCAL APPLICATIONS.

''(a) IN GENERAL.—A local educational agency seeking to receive a subgrant from a State to carry out this subpart shall submit an application to the State—

''(1) at such time as the State shall require; and

''(2) that is coordinated with other programs carried out under this Act (other than programs carried out under this subpart).

''(b) LOCAL APPLICATION CONTENTS.—The local application described in subsection (a) shall include, at a minimum, the following:

''(1) A description of how the local educational agency intends to use funds provided to carry out this subpart.

''(2) An assurance that the local educational agency will target funds to schools served by the local educational agency that—

''(A) have the lowest proportions of highly qualified teachers; or

''(B) are identified for school improvement under section 1116(c).

''(3) A description of how the local educational agency will coordinate professional development activities authorized under this subpart with professional development activities provided through other Federal, State, and local programs, including those authorized under title I, title III, title IV, part A of title VII, and (where applicable) the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) and the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.).

''(4) A description of how the local educational agency will integrate funds received to carry out this subpart with funds received under title III that are used for professional development to train teachers in how to use technology to improve learning and teaching.

''(5) A description of how the local educational agency has collaborated with teachers, principals, parents, and administrators in the preparation of the application.

''(c) PARENTS' RIGHT-TO-KNOW.—A local educational agency that receives funds to carry out this subpart shall provide, upon request and in an understandable and uniform format, to any parent of a student attending any school receiving funds under this subpart from the agency, information regarding the professional qualifications of the student's classroom teachers, including, at a minimum, whether the teachers are highly qualified.

''Subpart 4—National Activities

''SEC. 2041. ALTERNATIVE ROUTES TO TEACHING.

''(a) TEACHER EXCELLENCE ACADEMIES.—The Secretary may award grants on a competitive basis to eligible consortia to carry out activities described in this section.

''(b) USE OF FUNDS.—

''(1) IN GENERAL.—An eligible consortium receiving funds under this section shall use the funds to pay the costs associated with the establishment or expansion of a teacher academy, in an elementary school or secondary school facility, that carries out—

''(A) the activities promoting alternative routes to State teacher certification specified in paragraph (2); or

''(B) the model professional development activities specified in paragraph (3).

''(2) PROMOTING ALTERNATIVE ROUTES TO TEACHER CERTIFICATION.—The activities promoting alternative routes to State teacher certification specified in this paragraph are the design and implementation of a course of study and activities providing an alternative route to State teacher certification that—

''(A) provide opportunities to highly qualified individuals with a baccalaureate degree, including mid-career professionals from other occupations, paraprofessionals, former military personnel, and recent college or university graduates with records of academic distinction;

''(B) provide stipends, for not more than 2 years, to permit individuals described in subparagraph (A) to participate as student teachers able to fill teaching needs in academic subjects in which there is a demonstrated shortage of teachers;

''(C) provide for the recruitment and hiring of master teachers to mentor and train student teachers within such academies; and

''(D) include a reasonable service requirement for individuals completing the course of study and alternative certification activities established by the eligible consortium.

''(3) MODEL PROFESSIONAL DEVELOPMENT.—The model professional development activities specified in this paragraph are activities providing ongoing professional development opportunities for teachers, such as—

''(A) innovative programs and model curricula in the area of professional development, which may serve as models to be disseminated to other schools and local educational agencies; and

''(B) the development of innovative techniques for evaluating the effectiveness of professional development programs.

''(c) GRANT FOR SPECIAL CONSORTIUM.—In making grants under this section, the Secretary shall award not less than 1 grant to an eligible consortium that—

''(1) includes a high-need local educational agency located in a rural area; and

''(2) proposes activities that involve the extensive use of distance learning in order to provide the applicable course work to student teachers.

''(d) SPECIAL RULE.—No single participant in an eligible consortium may use more than 50 percent of the funds made available to the consortium under this section.

''(e) APPLICATION.—To be eligible to receive a grant under this section, an eligible consortium shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

''(f) ELIGIBLE CONSORTIUM.—In this section, the term 'eligible consortium' means a consortium for a State that—

''(1) shall include—

''(A) the State agency responsible for certifying or licensing teachers;

''(B) not less than 1 high-need local educational agency;

''(C) a school of arts and sciences; and

''(D) an institution that prepares teachers; and

''(2) may include local educational agencies, public charter schools, public or private elementary schools or secondary schools, educational service agencies, public or private nonprofit educational organizations, museums, or businesses.

''SEC. 2042. EISENHOWER NATIONAL CLEARINGHOUSE FOR MATHEMATICS AND SCIENCE EDUCATION.

''The Secretary may award a grant or contract, in consultation with the Director of the National Science Foundation, to an entity to continue the Eisenhower National Clearinghouse for Mathematics and Science Education.

''Subpart 5—Funding

''SEC. 2051. AUTHORIZATION OF APPROPRIATIONS.

''(a) FISCAL YEAR 2000.—There are authorized to be appropriated to carry out this part $1,558,000,000 for fiscal year 2000, of which $15,000,000 shall be available to carry out subpart 4.

''(b) OTHER FISCAL YEARS.—There are authorized to be appropriated to carry out this part such sums as may be necessary for fiscal years 2001 through 2004.

''Subpart 6—General Provisions

''SEC. 2061. DEFINITIONS.

''In this part:

''(1) ARTS AND SCIENCES.—The term 'arts and sciences' has the meaning given the term in section 201(b) of the Higher Education Act of 1965 (20 U.S.C. 1021(b)).

''(2) HIGHLY QUALIFIED.—The term 'highly qualified' means—

''(A) with respect to an elementary school teacher, a teacher—

''(i) with an academic major in the arts and sciences; or

''(ii) who can demonstrate competence through a high level of performance in core academic subjects; and

''(B) with respect to a secondary school teacher, a teacher—

''(i) with an academic major in the academic subject in which the teacher teaches or in a related field;

''(ii) who can demonstrate a high level of competence through rigorous academic subject tests; or

''(iii) who can demonstrate competence through a high level of performance in relevant content areas.

''(3) HIGH-NEED LOCAL EDUCATIONAL AGENCY.—The term 'high-need local educational agency' means a local educational agency that serves an elementary school or secondary school located in an area in which there is—

''(A) a high percentage of individuals from families with incomes below the poverty line;

''(B) a high percentage of secondary school teachers not teaching in the academic subject in which the teachers were trained to teach; or

''(C) a high teacher turnover rate.

''(4) OUT-OF-FIELD TEACHER.—The term 'out-of-field teacher' means a teacher—

''(A) teaching an academic subject for which the teacher is not highly qualified, as determined by the State involved; or

''(B) who did not receive a degree from an institution of higher education with a major or minor in the field in which the teacher teaches.

''(5) POVERTY LINE.—The term 'poverty line' means the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block

Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved.

''(6) SCIENTIFICALLY BASED RESEARCH.—The term 'scientifically based research'—

''(A) means the application of rigorous, systematic, and objective procedures to obtain valid knowledge relevant to professional development of teachers; and

''(B) includes research that—

''(i) employs systematic, empirical methods that draw on observation or experiment;

''(ii) involves rigorous data analyses that are adequate to test the stated hypotheses and justify the general conclusions drawn;

''(iii) relies on measurements or observational methods that provide valid data across evaluators and observers and across multiple measurements and observations; and

''(iv) has been accepted by a peer-reviewed journal or approved by a panel of independent experts through a comparably rigorous, objective, and scientific review.''.

(b) CONFORMING AMENDMENT.—Section 13302(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8672(1)) is amended by striking ''2102(b)'' and inserting ''2042''.

SEC. ___03. GENERAL PROVISIONS.

(a) IN GENERAL.—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) is amended—

(1) by repealing part D;

(2) by redesignating part E as part C; and

(3) by repealing sections 2401 and 2402 and inserting the following:

''SEC. 2401. PROHIBITION ON MANDATORY NATIONAL CERTIFICATION OR LICENSING OF TEACHERS.

''(a) PROHIBITION ON MANDATORY TESTING, CERTIFICATION, OR LICENSING.—Notwithstanding any other provision of law, the Secretary may not use Federal funds to plan, develop, implement, or administer any mandatory national teacher test or method of certification or licensing.

''(b) PROHIBITION ON WITHHOLDING FUNDS.—The Secretary may not withhold funds from any State or local educational agency if such State or local educational agency fails to adopt a specific method of teacher certification or licensing.

''SEC. 2402. PROVISIONS RELATED TO PRIVATE SCHOOLS.

''The provisions of sections 14503 through 14506 apply to programs carried out under this title.

''SEC. 2403. HOME SCHOOLS.

''Nothing in this title shall be construed to permit, allow, encourage, or authorize any Federal control over any aspect of any private, religious, or home school, whether a home school is treated as a private school or home school under the law of the State involved, except that the Secretary may require that funds provided to a school under this title be used for the purposes described in this title. This section shall not be construed to bar private, religious, or home schools from participating in or receiving programs or services under this title.''.

(b) CONFORMING AMENDMENTS.—

(1) COORDINATION.—Section 1202(c)(2)(C) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6362(c)(2)(C)) is amended, in the subparagraph heading, by striking ''PART C'' and inserting ''PART B''.

(2) DEFINITION OF COVERED PROGRAM.—Section 14101(10)(C) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801(10)(C)) is amended by striking ''(other than section 2103 and part D)''.

(3) PRIVATE SCHOOL PARTICIPATION.—Section 14503(b)(1)(B) (20 U.S.C. 8893(b)(1)(B)) of such Act is amended by striking ''(other than section 2103 and part D of such title)''.

TITLE ___—TEACHER LIABILITY PROTECTION

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Teacher Liability Protection Act of 1999''.

SEC. ___02. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress makes the following findings:

(1) The ability of teachers, principals and other school professionals to teach, inspire and shape the intellect of our Nation's elementary and secondary school students is deterred and hindered by frivolous lawsuits and litigation.

(2) Each year more and more teachers, principals and other school professionals face lawsuits for actions undertaken as part of their duties to provide millions of school children quality educational opportunities.

(3) Too many teachers, principals and other school professionals face increasingly severe and random acts of violence in the classroom and in schools.

(4) Providing teachers, principals and other school professionals a safe and secure environment is an important part of the effort to improve and expand educational opportunities.

(5) Clarifying and limiting the liability of teachers, principals and other school professionals who undertake reasonable actions to maintain order, discipline and an appropriate educational environment is an appropriate subject of Federal legislation because—

(A) the national scope of the problems created by the legitimate fears of teachers, principals and other school professionals about frivolous, arbitrary or capricious lawsuits against teachers; and

(B) millions of children and their families across the Nation depend on teachers, principals and other school professionals for the intellectual development of the children.

(b) PURPOSE.—The purpose of this title is to provide teachers, principals and other school professionals the tools they need to undertake reasonable actions to maintain order, discipline and an appropriate educational environment.

SEC. ___03. PREEMPTION AND ELECTION OF STATE NONAPPLICABILITY.

(a) PREEMPTION.—This title preempts the laws of any State to the extent that such laws are inconsistent with this title, except that this title shall not preempt any State law that provides additional protection from liability relating to teachers.

(b) ELECTION OF STATE REGARDING NONAPPLICABILITY.—This title shall not apply to any civil action in a State court against a teacher in which all parties are citizens of the State if such State enacts a statute in accordance with State requirements for enacting legislation—

(1) citing the authority of this subsection;

(2) declaring the election of such State that this title shall not apply, as of a date certain, to such civil action in the State; and

(3) containing no other provisions.

SEC. ___04. LIMITATION ON LIABILITY FOR TEACHERS.

(a) LIABILITY PROTECTION FOR TEACHERS.—Except as provided in subsections (b) and (c), no teacher in a school shall be liable for harm caused by an act or omission of the teacher on behalf of the school if—

(1) the teacher was acting within the scope of the teacher's employment or responsibilities related to providing educational services;

(2) the actions of the teacher were carried out in conformity with State or Federal laws rules or regulations in furtherance of efforts to control, discipline, expel, or suspend a student or maintain order or control in the classroom or school;

(3) if appropriate or required, the teacher was properly licensed, certified, or authorized by the appropriate authorities for the activities or practice in the State in which the harm occurred, where the activities were or practice was undertaken within the scope of the teacher's responsibilities;

(4) the harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed by the teacher; and

(5) the harm was not caused by the teacher operating a motor vehicle, vessel, aircraft, or other vehicle for which the State requires the operator or the owner of the vehicle, craft, or vessel to—

(A) possess an operator's license; or

(B) maintain insurance.

(b) CONCERNING RESPONSIBILITY OF TEACHERS TO SCHOOLS AND GOVERNMENTAL ENTITIES.—Nothing in this section shall be construed to affect any civil action brought by any school or any governmental entity against any teacher of such school.

(c) EXCEPTIONS TO TEACHER LIABILITY PROTECTION.—If the laws of a State limit teacher liability subject to one or more of the following conditions, such conditions shall not be construed as inconsistent with this section:

(1) A State law that requires a school or governmental entity to adhere to risk management procedures, including mandatory training of teachers.

(2) A State law that makes the school or governmental entity liable for the acts or omissions of its teachers to the same extent as an employer is liable for the acts or omissions of its employees.

(3) A State law that makes a limitation of liability inapplicable if the civil action was brought by an officer of a State or local government pursuant to State or local law.

(d) LIMITATION ON PUNITIVE DAMAGES BASED ON THE ACTIONS OF TEACHERS.—

(1) GENERAL RULE.—Punitive damages may not be awarded against a teacher in an action brought for harm based on the action of a teacher acting within the scope of the teacher's responsibilities to a school or governmental entity unless the claimant establishes by clear and convincing evidence that the harm was proximately caused by an action of such teacher which constitutes willful or criminal misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed.

(2) CONSTRUCTION.—Paragraph (1) does not create a cause of action for punitive damages and does not preempt or supersede any Federal or State law to the extent that such law would further limit the award of punitive damages.

(e) EXCEPTIONS TO LIMITATIONS ON LIABILITY.—

(1) IN GENERAL.—The limitations on the liability of a teacher under this title shall not apply to any misconduct that—

(A) constitutes a crime of violence (as that term is defined in section 16 of title 18, United States Code) or act of international terrorism (as that term is defined in section 2331 of title 18, United States Code) for which the defendant has been convicted in any court;

(B) involves a sexual offense as defined by applicable State law, for which the defendant had been convicted in any court;

(C) involves misconduct for which the defendant has been found to have violated a Federal or State Civil rights law; or

(D) where the defendant was under the influence (as determined pursuant to applicable State law) of intoxicating alcohol or any drug at the time of the misconduct.

(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to affect subsection (a)(3) or (d).

SEC. ___05. LIABILITY FOR NONECONOMIC LOSS.

(a) GENERAL RULE.—In any civil action against a teacher, based on an action of a teacher acting within the scope of the teacher's responsibilities to a school or governmental entity, the liability of the teacher for noneconomic loss shall be determined in accordance with subsection (b).

(b) AMOUNT OF LIABILITY.—

(1) IN GENERAL.—Each defendant who is a teacher, shall be liable only for the amount of noneconomic loss allocated to that defendant in direct proportion to the percentage of responsibility of that defendant (determined in accordance with paragraph (2)) for the harm to the claimant with respect to which that defendant is liable. The court shall render a separate judgment against each defendant in an amount determined pursuant to the preceding sentence.

(2) PERCENTAGE OF RESPONSIBILITY.—For purposes of determining the amount of noneconomic loss allocated to a defendant who is a teacher under this section, the trier of fact shall determine the percentage of responsibility of that defendant for the claimant's harm.

SEC. ___06. DEFINITIONS.

For purposes of this title:

(1) ECONOMIC LOSS.—The term ''economic loss'' means any pecuniary loss resulting from harm (including the loss of earnings or other benefits related to employment, medical expense loss, replacement services loss, loss due to death, burial costs, and loss of business or employment opportunities) to the extent recovery for such loss is allowed under applicable State law.

(2) HARM.—The term ''harm'' includes physical, nonphysical, economic, and noneconomic losses.

(3) NONECONOMIC LOSSES.—The term ''noneconomic losses'' means losses for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), hedonic damages, injury to reputation and all other nonpecuniary losses of any kind or nature.

(4) SCHOOL.—The term ''school'' means a public or private kindergarten, a public or private elementary school or secondary school (as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)), or a home school.

(5) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, territory, or possession.

(6) TEACHER.—The term ''teacher'' means a teacher, instructor, principal, administrator, or other educational professional, that works in a school.

SEC. ___07. EFFECTIVE DATE.

(a) IN GENERAL.—This title shall take effect 90 days after the date of enactment of this Act.

(b) APPLICATION.—This title applies to any claim for harm caused by an act or omission of a teacher where that claim is filed on or after the effective date of this Act, without regard to whether the harm that is the subject of the claim or the conduct that caused the harm occurred before such effective date.

TITLE ___—FULL TAX DEDUCTION FOR CERTAIN PROFESSIONAL EXPENSES

SEC. ___01. 2-PERCENT FLOOR ON MISCELLANEOUS ITEMIZED DEDUCTIONS NOT TO APPLY TO QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES AND QUALIFIED INCIDENTAL EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES DEDUCTION.—

(1) IN GENERAL.—Section 67(b) of the Internal Revenue Code of 1986 (defining miscellaneous itemized deductions) is amended by striking ''and'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', and'', and by adding at the end the following new paragraph:

''(13) any deduction allowable for the qualified professional development expenses of an eligible teacher.''.

(2) DEFINITIONS.—Section 67 of such Code (relating to 2-percent floor on miscellaneous itemized deductions) is amended by adding at the end the following new subsection:

''(g) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES OF ELIGIBLE TEACHERS.—For purposes of subsection (b)(13)—

''(1) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.—

''(A) IN GENERAL.—The term 'qualified professional development expenses' means expenses—

''(i) for tuition, fees, books, supplies, equipment, and transportation required for the enrollment or attendance of an individual in a qualified course of instruction, and

''(ii) with respect to which a deduction is allowable under section 162 (determined without regard to this section).

''(B) QUALIFIED COURSE OF INSTRUCTION.—The term 'qualified course of instruction' means a course of instruction which—

''(i) is—

''(I) at an institution of higher education (as defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088), as in effect on the date of the enactment of this subsection), or

''(II) a professional conference, and

''(ii) is part of a program of professional development which is approved and certified by the appropriate local educational agency as furthering the individual's teaching skills.

''(C) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given such term by section 14101 of the Elementary and Secondary Education Act of 1965, as so in effect.

''(2) ELIGIBLE TEACHER.—

''(A) IN GENERAL.—The term 'eligible teacher' means an individual who is a kindergarten through grade 12 classroom teacher, instructor, counselor, aide, or principal in an elementary or secondary school.

''(B) ELEMENTARY OR SECONDARY SCHOOL.—The terms 'elementary school' and 'secondary school' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as so in effect.''.

(3) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(b) QUALIFIED INCIDENTAL EXPENSES.—

(1) IN GENERAL.—Section 67(g)(1)(A) of the Internal Revenue Code of 1986, as added by subsection (a)(2), is amended by striking ''and'' at the end of clause (i), by redesignating clause (ii) as clause (iii), and by inserting after clause (i) the following new clause:

''(ii) for qualified incidental expenses, and''.

(2) DEFINITION.—Section 67(g) of such Code, as added by subsection (a)(2), is amended by adding at the end the following new paragraph:

''(3) QUALIFIED INCIDENTAL EXPENSES.—

''(A) IN GENERAL.—The term 'qualified incidental expenses' means expenses paid or incurred by an eligible teacher in an amount not to exceed $125 for any taxable year for books, supplies, and equipment related to instruction, teaching, or other educational job-related activities of such eligible teacher.

''(B) SPECIAL RULE FOR HOMESCHOOLING.—Such term shall include expenses described in subparagraph (A) in connection with education provided by homeschooling if the requirements of any applicable State or local law are met with respect to such education.''.

(3) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

FEINGOLD (AND SPECTER) AMENDMENTS NOS. 2743–2744

(Ordered to lie on the table.)

Mr. FEINGOLD (for himself and Mr. SPECTER) submitted two amendments intended to be proposed by them to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2743

On page 12, strike line 22 and insert ''frivolous.''.

AMENDMENT NO. 2744

On page 145, between lines 15 and 16, insert the following:

SEC. 420. BANKRUPTCY FEES.

Section 1930 of title 28, United States Code, is amended—

(1) in subsection (a), by striking ''Notwithstanding section 1915 of this title, the parties'' and inserting ''Subject to subsection (f), the parties''; and

(2) by adding at the end the following:

''(f)(1) The Judicial Conference of the United States shall prescribe procedures for waiving fees under this subsection.

''(2) Under the procedures described in paragraph (1), the district court or the bankruptcy court may waive a filing fee described in paragraph (3) for a case commenced under chapter 7 of title 11 if the court determines that an individual debtor whose income is less than 125 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved is unable to pay that fee in installments.

''(3) A filing fee referred to in paragraph (2) is—

''(A) a filing fee under subsection (a)(1); or

''(B) any other fee prescribed by the Judicial Conference of the United States under subsection (b) that is payable to the clerk of the district court or the clerk of the bankruptcy court upon the commencement of a case under chapter 7 of title 11.

''(4) In addition to waiving a fee under paragraph (2), the district court or the bankruptcy court may waive any other fee prescribed under subsection (b) or (c) if the court determines that the individual with an income at a level described in paragraph (2) is unable to pay that fee in installments.''.

FEINGOLD AMENDMENTS NOS. 2745–2750

(Ordered to lie on the table.)

Mr. FEINGOLD submitted six amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2745

At the end of title X, insert the following:

SEC. ___. PROHIBITION OF RETROACTIVE ASSESSMENT OF DISPOSABLE INCOME.

(a) IN GENERAL.—Section 1225(b) of title 11, United States Code, is amended by adding at the end the following:

''(3) If the plan provides for specific amounts of property to be distributed on account of allowed unsecured claims as required by paragraph (1)(B), those amounts equal or exceed the debtor's projected disposable income for that period, and the plan meets the requirements for confirmation other than those of this subsection, the plan shall be confirmed.''.

(b) MODIFICATION.—Section 1229 of title 11, United States Code, is amended by adding at the end the following:

''(d)(1) A modification of the plan under this section may not increase the amount of payments that were due prior to the date of the order modifying the plan.

''(2) A modification of the plan under this section to increase payments based on an increase in the debtor's disposable income may not require payments to unsecured creditors in any particular month greater than the debtor's disposable income for that month unless the debtor proposes such a modification.

''(3) A modification of the plan in the last year of the plan shall not require payments that would leave the debtor with insufficient funds to carry on the farming operation after the plan is completed unless the debtor proposes such a modification.''.

AMENDMENT NO. 2746

At the appropriate place in the bill, insert the following:

SEC. ___. DEFINITION OF FAMILY FARMER.

Section 101(18) of title 11, United States Code, is amended—

(1) in subparagraph (A) by—

(A) striking ''$1,500,000'' and inserting ''$3,000,000''; and

(B) striking ''80'' and inserting ''50''; and

(2) in subparagraph (B)(ii) by—

(A) striking ''$1,500,000'' and inserting ''$3,000,000''; and

(B) striking ''80'' and inserting ''50''.

AMENDMENT NO. 2747

At the appropriate place in title XI, insert the following:

SEC. 11___. CONSUMER CREDIT TRANSACTIONS.

(a) DEFINITION.—Section 1 of title 9, United States Code, is amended—

(1) in the section heading, by striking ''**and 'commerce' defined**'' and inserting ''**, 'commerce', 'consumer credit transaction', and 'consumer credit contract' defined**''; and

(2) by inserting before the period at the end the following: ''; 'consumer credit transaction', as herein defined, means the right granted to a natural person to incur debt and defer its payment, where the credit is intended primarily for personal, family, or household purposes; and 'consumer credit contract', as herein defined, means any contract between the parties to a consumer credit transaction.''.

(b) AGREEMENTS TO ARBITRATE.—Section 2 of title 9, United States Code, is amended by adding at the end the following: ''Notwithstanding the preceding sentence, a written provision in any consumer credit contract evidencing a transaction involving commerce to settle by arbitration a controversy thereafter arising out of the contract, or the refusal to perform the whole or any part thereof, shall not be valid or enforceable. Nothing in this section shall prohibit the enforcement of any written agreement to settle by arbitration a controversy arising out of a consumer credit contract, if such written agreement has been entered into by the parties to the consumer credit contract after the controversy has arisen.''.

AMENDMENT NO. 2748

On page 108, line 15, strike ''; and'' and insert a semicolon.

Beginning on page 108, strike line 18 and all that follows through page 109, line 7, and insert the following:

''(23) under subsection (a)(3), of the commencement or continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property—

''(A) on which the debtor resides as a tenant under a rental agreement; and

''(B) with respect to which—

''(i) the debtor fails to make a rent payment that initially becomes due under the rental agreement or applicable State law after the date of filing of the petition, if the lessor files with the court a certification that the debtor has not made a payment for rent and serves a copy of the certification to the debtor; or

''(ii) the debtor's lease has expired according to its terms and the lessor intends to personally occupy that property, if the lessor files with the court a certification of such facts and serves a copy of the certification to the debtor;

''(24) under subsection (a)(3), of the commencement or continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property, if during the 1-year period preceding the filing of the petition, the debtor—

''(A) commenced another case under this title; and

''(B) failed to make a rent payment that initially became due under an applicable rental agreement or State law after the date of filing of the petition for that other case; or

''(25) under subsection (a)(3), of an eviction action based on endangerment of property or the use of an illegal drug, if the lessor files with the court a certification that the debtor has endangered property or used an illegal drug and serves a copy of the certification to the debtor.''; and

(4) by adding at the end of the flush material at the end of the subsection the following: ''With respect to the applicability of paragraph (23) or (25) to a debtor with respect to the commencement or continuation of a proceeding described in that paragraph, the exception to the automatic stay shall become effective on the 15th day after the lessor meets the filing and notification requirements under that paragraph, unless the debtor takes such action as may be necessary to address the subject of the certification or the court orders that the exception to the automatic stay shall not become effective or provides for a later date of applicability.''.

AMENDMENT NO. 2749

At the appropriate place, insert the following:

SEC. ___. NO BANKRUPTCY FOR INSOLVENT POLITICAL COMMITTEES.

Section 105 of title 11, United States Code, is amended by inserting at the end the following:

''(e) A political committee subject to the jurisdiction of the Federal Election Commission under Federal election laws may not file for bankruptcy under this title.''.

AMENDMENT NO. 2750

At the appropriate place, insert the following:

SEC. ___. FEDERAL ELECTION LAW FINES AND PENALTIES AS NONDISCHARGEABLE DEBT.

Section 523(a) of title 11, United States Code, is amended by inserting after paragraph (14A) the following:

''(14B) fines or penalties imposed under Federal election law;''.

KENNEDY AMENDMENT NO. 2751

(Ordered to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

On page 294 of the bill, line 24, strike ''Act.'' and insert the following: ''Act.

TITLE ____—INCREASE IN THE FEDERAL MINIMUM WAGE

SEC. ___01. FAIR MINIMUM WAGE.

(a) SHORT TITLE.—This section may be cited as the ''Fair Minimum Wage Act of 1999''.

(b) MINIMUM WAGE INCREASE.—

(1) WAGE.—Paragraph (1) of section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

''(1) except as otherwise provided in this section, not less than—

''(A) $5.65 an hour during the year beginning on January 1, 2000; and

''(B) $6.15 an hour beginning on January 1, 2001;''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) takes effect on January 1, 2000.

(c) APPLICABILITY OF MINIMUM WAGE TO THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.—The provisions of section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) shall apply to the Commonwealth of the Northern Mariana Islands.

SEC. ___02. LIMITATION ON LOCATION OF PROVISION OF SERVICES.

(a) IN GENERAL.—Section 1861(ff)(2) of the Social Security Act (42 U.S.C. 1395x(ff)(2)) is amended in the matter following subparagraph (I)—

(1) by striking ''and furnished'' and inserting ''furnished''; and

(2) by inserting before the period the following: '', and furnished other than in a skilled nursing facility, residential treatment facility or other residential setting (as determined by the Secretary)''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to partial hospitalization services furnished on or after the first day of the third month beginning after the date of the enactment of this Act.

SEC. ___03. QUALIFICATIONS FOR COMMUNITY MENTAL HEALTH CENTERS.

(a) IN GENERAL.—Section 1861(ff)(3)(B) of the Social Security Act (42 U.S.C. 1395x(ff)(3)(B)) is amended by striking ''entity'' and all that follows and inserting the following: ''entity that—

''(i)(I) provides the mental health services described in section 1913(c)(1) of the Public Health Service Act; or

''(II) in the case of an entity operating in a State that by law precludes the entity from providing a service described in such section itself, provides for such service by contract with an approved organization or entity (as determined by the Secretary);

''(ii) meets applicable licensing or certification requirements for community mental health centers in the State in which it is located; and

''(iii) meets such additional conditions as the Secretary shall specify to ensure (I) the health and safety of individuals being furnished such services, (II) the effective and efficient furnishing of such services, and (III) the compliance of such entity with the criteria described in such section.''.

(b) CLARIFICATION OF CRITERIA FOR COMMUNITY MENTAL HEALTH CENTERS.—Section

1913(c)(1)(E) of the Public Health Service Act (42 U.S.C. 300x–3(c)(1)(E)) is amended to read as follows:

''(E) Determining the clinical appropriateness of admissions to inpatient psychiatric hospitals by engaging a full-time mental health professional who is licensed or certified to make such a determination by the State involved.''.

(c) EFFECTIVE DATE.—The amendments made by this section apply with respect to community mental health centers furnishing services under the medicare program on or after the first day of the third month beginning after the date of the enactment of this Act.

SEC. ___04. GUIDELINES FOR ITEMS AND SERVICES COMPRISING PARTIAL HOSPITALIZATION SERVICES.

Not later than 180 days after the date of the enactment of this Act, the Secretary shall first adopt national coverage and administrative policies for partial hospitalization services furnished under title XVIII of the Social Security Act, using a negotiated rulemaking process under subchapter III of chapter 5 of title 5, United States Code.

SEC. ___05. REFINEMENT OF PERIODICITY OF REVIEW OF PLAN FOR PARTIAL HOSPITALIZATION SERVICES.

(a) IN GENERAL.—Section 1835(a)(2)(F)(ii) of the Social Security Act (42 U.S.C. 1395n(a)(2)(F)(ii)) is amended by inserting ''at a reasonable rate (as determined by the Secretary)'' after ''is reviewed periodically''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to plans for furnishing partial hospitalization services established on or after the first day of the third month beginning after the date of the enactment of this Act.

SEC. ___06. RECERTIFICATION OF PROVIDERS OF PARTIAL HOSPITALIZATION SERVICES.

(a) IN GENERAL.—With respect to each community mental health center that furnishes partial hospitalization services for which payment is made under title XVIII of the Social Security Act, the Secretary of Health and Human Services shall provide for periodic recertification to ensure that the provision of such services complies with applicable requirements of such title.

(b) DEADLINE FOR FIRST RECERTIFICATION.—The first recertification under subsection (a) shall be completed not later than one year after the date of the enactment of this Act.

SEC. ___07. CIVIL MONETARY PENALTIES FOR FALSE CERTIFICATION OF ELIGIBILITY FOR HOSPICE CARE OR PARTIAL HOSPITALIZATION SERVICES.

(a) IN GENERAL.—Section 1128A(b)(3) of the Social Security Act (42 U.S.C. 1320a–7a(b)(3)) is amended—

(1) in subparagraph (A)(ii), by inserting '', hospice care, or partial hospitalization services'' after ''home health services''; and

(2) in subparagraph (B), by inserting '', section 1814(a)(7) in the case of hospice care, or section 1835(a)(2)(F) in the case of partial hospitalization services'' after ''in the case of home health services''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to certifications of eligibility for hospice care or partial hospitalization services under the medicare program made on or after the first day of the third month beginning after the date of the enactment of this Act.

TITLE ___—SMALL BUSINESS TAX PROVISIONS

SEC. ___00. SHORT TITLE; ETC.

(a) SHORT TITLE.—This title may be cited as the ''Small Business Tax Reduction Act of 1999''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Enabling Small Business to Provide Child Care, Health, and Retirement Benefits

SEC. ___01. FULL DEDUCTION OF HEALTH INSURANCE COSTS FOR SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Section 162(l)(1) (relating to allowance of deductions) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer and the taxpayer's spouse and dependents.''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. ___02. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CHILD CARE ASSISTANCE.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following:

''SEC. 45D. EMPLOYER-PROVIDED CHILD CARE CREDIT.

''(a) IN GENERAL.—For purposes of section 38, the employer-provided child care credit determined under this section for the taxable year is an amount equal to 25 percent of the qualified child care expenditures of the taxpayer for such taxable year.

''(b) DOLLAR LIMITATION.—The credit allowable under subsection (a) for any taxable year shall not exceed $90,000.

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED CHILD CARE EXPENDITURE.—The term 'qualified child care expenditure' means any amount paid or incurred—

''(A) to acquire, construct, rehabilitate, or expand property—

''(i) which is to be used as part of a qualified child care facility of the taxpayer,

''(ii) with respect to which a deduction for depreciation (or amortization in lieu of depreciation) is allowable, and

''(iii) which does not constitute part of the principal residence (within the meaning of section 121) of the taxpayer or any employee of the taxpayer,

''(B) for the operating costs of a qualified child care facility of the taxpayer, including costs related to the training of employees, to scholarship programs, and to the providing of increased compensation to employees with higher levels of child care training, or

''(C) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer.

''(2) QUALIFIED CHILD CARE FACILITY.—

''(A) IN GENERAL.—The term 'qualified child care facility' means a facility—

''(i) the principal use of which is to provide child care assistance, and

''(ii) which meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including, but not limited to, the licensing of the facility as a child care facility.

Clause (i) shall not apply to a facility which is the principal residence (within the meaning of section 121) of the operator of the facility.

''(B) SPECIAL RULES WITH RESPECT TO A TAXPAYER.—A facility shall not be treated as a qualified child care facility with respect to a taxpayer unless—

''(i) enrollment in the facility is open to employees of the taxpayer during the taxable year,

''(ii) the facility is not the principal trade or business of the taxpayer unless at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer, and

''(iii) the use of such facility (or the eligibility to use such facility) does not discriminate in favor of employees of the taxpayer who are highly compensated employees (within the meaning of section 414(q)).

''(d) RECAPTURE OF ACQUISITION AND CONSTRUCTION CREDIT.—

''(1) IN GENERAL.—If, as of the close of any taxable year, there is a recapture event with respect to any qualified child care facility of the taxpayer, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

''(A) the applicable recapture percentage, and

''(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the qualified child care expenditures of the taxpayer described in subsection (c)(1)(A) with respect to such facility had been zero.

''(2) APPLICABLE RECAPTURE PERCENTAGE.—

''(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

''If the recapture event occurs in:	**The applicable recapture percentage is:**
Years 1–3	100
Year 4	85
Year 5	70
Year 6	55
Year 7	40
Year 8	25
Years 9 and 10	10
Years 11 and thereafter	0.

''(B) YEARS.—For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the qualified child care facility is placed in service by the taxpayer.

''(3) RECAPTURE EVENT DEFINED.—For purposes of this subsection, the term 'recapture event' means—

''(A) CESSATION OF OPERATION.—The cessation of the operation of the facility as a qualified child care facility.

''(B) CHANGE IN OWNERSHIP.—

''(i) IN GENERAL.—Except as provided in clause (ii), the disposition of a taxpayer's interest in a qualified child care facility with respect to which the credit described in subsection (a) was allowable.

''(ii) AGREEMENT TO ASSUME RECAPTURE LIABILITY.—Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture liability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

''(4) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

''(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of

any credit under subpart A, B, or D of this part.

''(C) NO RECAPTURE BY REASON OF CASUALTY LOSS.—The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified child care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

''(e) SPECIAL RULES.—For purposes of this section—

''(1) AGGREGATION RULES.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

''(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

''(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

''(f) NO DOUBLE BENEFIT.—

''(1) REDUCTION IN BASIS.—For purposes of this subtitle—

''(A) IN GENERAL.—If a credit is determined under this section with respect to any property by reason of expenditures described in subsection (c)(1)(A), the basis of such property shall be reduced by the amount of the credit so determined.

''(B) CERTAIN DISPOSITIONS.—If during any taxable year there is a recapture amount determined with respect to any property the basis of which was reduced under subparagraph (A), the basis of such property (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under subsection (d).

''(2) OTHER DEDUCTIONS AND CREDITS.—No deduction or credit shall be allowed under any other provision of this chapter with respect to the amount of the credit determined under this section.''

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) is amended—

(A) by striking ''plus'' at the end of paragraph (11),

(B) by striking the period at the end of paragraph (12), and inserting a comma and ''plus'', and

(C) by adding at the end the following:

''(13) the employer-provided child care credit determined under section 45D.''

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following:

''Sec. 45D. Employer-provided child care credit.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ___03. PLAN LOANS FOR SUBCHAPTER S OWNERS, PARTNERS, AND SOLE PROPRIETORS.

(a) AMENDMENT TO 1986 CODE.—Subparagraph (B) of section 4975(f)(6) (relating to exemptions not to apply to certain transactions) is amended by adding at the end the following new clause:

''(iii) LOAN EXCEPTION.—Solely for purposes of subparagraph (A)(i), in determining whether an individual is—

''(I) an owner-employee under section 401(c)(3), subparagraph (B) thereof shall be applied by substituting '25 percent' for '10 percent', and

''(II) a shareholder-employee under subparagraph (C), such subparagraph shall be applied by substituting '25 percent' for '5 percent'.''

(b) AMENDMENT TO ERISA.—Section 408(d)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(d)(2)) is amended by adding at the end the following new subparagraph:

''(C) Solely for purposes of paragraph (1)(A), in determining whether an individual is—

''(i) an owner-employee under section 401(c)(3) of the Internal Revenue Code of 1986, subparagraph (B) thereof shall be applied by substituting '25 percent' for '10 percent', and

''(ii) a shareholder-employee under paragraph (3), such paragraph shall be applied by substituting '25 percent' for '5 percent'.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to loans made after December 31, 2000.

SEC. ___04. CONTRIBUTIONS TO IRAS THROUGH PAYROLL DEDUCTIONS.

(a) DEFINITIONS.—For purposes of this section—

(1) CONTRIBUTION CERTIFICATE.—The term ''contribution certificate'' means a certificate submitted by an employee to the employee's employer which—

(A) identifies the employee by name, address, and social security number,

(B) identifies the individual retirement plan to which the employee wishes to make contributions through payroll deductions, and

(C) identifies the amount of such contributions, not to exceed the amount allowed under section 408 of the Internal Revenue Code of 1986 to an individual retirement plan for such year.

(2) EMPLOYEE.—The term ''employee'' does not include an employee as defined in section 401(c)(1) of such Code.

(3) INDIVIDUAL RETIREMENT PLANS.—The term ''individual retirement plan'' has the meaning given the term by section 7701(a)(37) of the Internal Revenue Code of 1986.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

(b) ESTABLISHMENT OF PAYROLL DEDUCTION SYSTEM.—An employer may establish a system under which employees, through employer payroll deductions, may make contributions to individual retirement plans. An employer shall not incur any liability under title I of the Employee Retirement Income Security Act of 1974 in providing for such a system.

(c) CONTRIBUTIONS TO INDIVIDUAL RETIREMENT PLANS.—

(1) IN GENERAL.—The system established under subsection (b) shall provide that contributions made to an individual retirement plan for any taxable year are—

(A) contributions through employer payroll deductions, and

(B) if the employer so elects, additional contributions by the employee which, when added to contributions under subparagraph (A), do not exceed the amount allowed under section 408 of the Internal Revenue Code of 1986 for the taxable year.

(2) EMPLOYER PAYROLL DEDUCTIONS.—

(A) IN GENERAL.—The system established under subsection (b) shall provide that an employee may establish and maintain an individual retirement plan simply by—

(i) completing a contribution certificate, and

(ii) submitting such certificate to the employee's employer in the manner provided under subparagraph (D).

(B) CHANGE OF AMOUNTS.—An employee establishing and maintaining an individual retirement plan under subparagraph (A) may change the amount of an employer payroll deduction in the same manner as under subparagraph (A).

(C) SIMPLIFIED FORMS.—

(i) CONTRIBUTION CERTIFICATE.—The Secretary shall develop a model contribution certificate for purposes of this paragraph—

(I) which is written in a clear and easily understandable manner, and

(II) the completion of which by an employee will constitute the establishment of an individual retirement plan and the request for employer payroll deductions or changes in such deductions.

(ii) AVAILABILITY.—The Secretary shall make available to all employees and employers the forms developed under this subparagraph, and shall include with such forms easy to understand explanatory materials.

(D) USE OF CERTIFICATE.—Each employer electing to adopt a system under subsection (b) shall, upon receipt of a contribution certificate from an employee, deduct the appropriate contribution as determined by such certificate from the employee's wages in equal amounts during the remaining payroll periods for the taxable year and shall remit such amounts for investment in the employee's individual retirement plan not later than the close of the 30-day period following the last day of the month in which such payroll period occurs.

(E) FAILURE TO REMIT PAYROLL DEDUCTIONS.—For purposes of the Internal Revenue Code of 1986, any amount which an employer fails to remit on behalf of an employee pursuant to a contribution certificate of such employee shall not be allowed as a deduction to the employer under such Code.

(d) ADDITIONAL INFORMATION.—

(1) IN GENERAL.—The system established under subsection (b) shall provide for the furnishing of information to employees of the opportunity of establishing individual retirement plans and of transferring amounts to such plans.

(2) INVESTMENT INFORMATION.—The employer shall also make available to employees information on how to make informed investment decisions and how to achieve retirement objectives.

(3) INFORMATION NOT INVESTMENT ADVICE.—Information provided under this subsection shall not be treated as investment advice for purposes of any Federal or State law.

SEC. ___05. MODIFICATION OF TOP-HEAVY RULES.

(a) SIMPLIFICATION OF DEFINITION OF KEY EMPLOYEE.—

(1) IN GENERAL.—Section 416(i)(1)(A) (defining key employee) is amended—

(A) by striking ''or any of the 4 preceding plan years'' in the matter preceding clause (i),

(B) by striking clause (i) and inserting the following:

''(i) an officer of the employer having an annual compensation greater than $80,000,'',

(C) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and

(D) by striking the second sentence in the matter following clause (iii), as redesignated by subparagraph (C).

(2) CONFORMING AMENDMENT.—Section 416(i)(1)(B)(iii) is amended by striking ''and subparagraph (A)(ii)''.

(b) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—Section 416(g) is amended—

(1) in paragraph (3)—

(A) by striking ''LAST 5 YEARS'' in the heading and inserting ''LAST YEAR BEFORE DETERMINATION DATE'', and

(B) in the matter following subparagraph (B), by striking ''5-year period'' and inserting ''1-year period'', and

(2) in paragraph (4)(E)—

(A) by striking ''LAST 5 YEARS'' in the heading and inserting ''LAST YEAR BEFORE DETERMINATION DATE'', and

(B) by striking ''5-year period'' and inserting ''1-year period''.

(c) REQUIREMENTS FOR QUALIFICATIONS.—Clause (ii) of section 401(a)(10)(B) (relating to requirements for qualifications for top-heavy plans) is amended by adding at the end the following new flush sentence:

''The preceding sentence shall not apply to a plan if the plan is not top-heavy and if it is not reasonable to expect that the plan will become a top-heavy plan.''.

(d) FROZEN PLAN EXEMPT FROM MINIMUM BENEFIT REQUIREMENT.—

(1) IN GENERAL.—Subparagraph (C) of section 416(c)(1) (relating to defined benefit plans) is amended—

(A) in clause (i), by striking ''clause (ii)'' and inserting ''clause (ii) or (iii)'', and

(B) by adding at the end the following:

''(iii) EXCEPTION FOR FROZEN PLAN.—For purposes of determining an employee's years of service with the employer, any service with the employer shall be disregarded to the extent that such service occurs during a plan year when the plan benefits (within the meaning of section 410(b)) no employee or former employee.''.

(2) CONFORMING AMENDMENT.—Subparagraph (A) of section 415(b)(5) is amended by adding at the end the following: ''An employee shall not be credited with a year of participation in a defined benefit plan for any year in which the plan does not benefit (within the meaning of section 410(b)) such employee.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 1999.

SEC. ___06. CREDIT FOR SMALL EMPLOYER PENSION PLAN CONTRIBUTIONS AND START-UP COSTS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by section ___02, is amended by adding at the end the following new section:

''SEC. 45E. SMALL EMPLOYER PENSION PLAN CREDIT.

''(a) GENERAL RULE.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan credit determined under this section for any taxable year is an amount equal to the sum of—

''(1) 50 percent of the qualified employer contributions of the taxpayer for the taxable year, and

''(2) 50 percent of the qualified start-up costs paid or incurred by the taxpayer during the taxable year.

''(b) LIMITATIONS.—

''(1) LIMITS ON CONTRIBUTIONS.—For purposes of subsection (a)(1)—

''(A) qualified employer contributions may only be taken into account for each of the first 5 taxable years ending after the date the employer establishes the qualified employer plan to which the contribution is made, and

''(B) the amount of the qualified employer contributions taken into account with respect to any qualified employee for any such taxable year shall not exceed 3 percent of the compensation (as defined in section 414(s)) of the qualified employee for such taxable year.

''(2) LIMITS ON START-UP COSTS.—The amount of the credit determined under subsection (a)(2) for any taxable year shall not exceed—

''(A) $2,000 for the first taxable year ending after the date the employer established the qualified employer plan to which such costs relate,

''(B) $1,000 for each of the second and third such taxable years, and

''(C) zero for each taxable year thereafter.

''(c) DEFINITIONS.—For purposes of this section—

''(1) ELIGIBLE EMPLOYER.—

''(A) IN GENERAL.—The term 'eligible employer' means, with respect to any year, an employer which has no more than—

''(i) for purposes of subsection (a)(1), 25 employees, and

''(ii) for purposes of subsection (a)(2), 100 employees,

who received at least $5,000 of compensation from the employer for the preceding year.

''(B) 2-YEAR GRACE PERIOD.—An eligible employer who establishes and maintains a qualified employer plan for 1 or more years and who fails to be an eligible employer for any subsequent year shall be treated as an eligible employer for the 2 years following the last year the employer was an eligible employer.

''(C) REQUIREMENT FOR NEW QUALIFIED EMPLOYER PLANS.—Such term shall not include an employer if, during the 3-taxable year period immediately preceding the 1st taxable year for which the credit under this section is otherwise allowable for a qualified employer plan of the employer, the employer and each member of any controlled group including the employer (or any predecessor of either) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the qualified employer plan.

''(2) QUALIFIED EMPLOYER CONTRIBUTIONS.—

''(A) IN GENERAL.—The term 'qualified employer contributions' means, with respect to any taxable year, any employer contributions made on behalf of a qualified employee to a qualified employer plan for a plan year ending with or within the taxable year.

''(B) EMPLOYER CONTRIBUTIONS.—The term 'employer contributions' shall not include any elective deferral (within the meaning of section 402(g)(3)).

''(3) QUALIFIED EMPLOYEE.—The term 'qualified employee' means an individual who—

''(A) is eligible to participate in the qualified employer plan to which the employer contributions are made, and

''(B) is not a highly compensated employee (within the meaning of section 414(q)) for the year for which the contribution is made.

''(4) QUALIFIED START-UP COSTS.—The term 'qualified start-up costs' means any ordinary and necessary expenses of an eligible employer which are paid or incurred in connection with—

''(A) the establishment or maintenance of a qualified employer plan in which qualified employees are eligible to participate, and

''(B) providing educational information to employees regarding participation in such plan and the benefits of establishing an investment plan.

''(5) QUALIFIED EMPLOYER PLAN.—The term 'qualified employer plan' has the meaning given such term in section 4972(d).

''(d) SPECIAL RULES.—

''(1) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (n) or (o) of section 414, shall be treated as one person. All qualified employer plans of an employer shall be treated as a single qualified employer plan.

''(2) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowable under this chapter for any qualified start-up costs or qualified contributions for which a credit is determined under subsection (a).

''(3) ELECTION NOT TO CLAIM CREDIT.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year.''.

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining current year business credit), as amended by section ___02, is amended by striking ''plus'' at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting '', plus'', and by adding at the end the following new paragraph:

''(14) in the case of an eligible employer (as defined in section 45E(c)), the small employer pension plan credit determined under section 45E(a).''.

(c) PORTION OF CREDIT REFUNDABLE.—Section 38(c) (relating to limitation based on amount of tax) is amended by adding at the end the following new paragraph:

''(4) PORTION OF SMALL EMPLOYER PENSION PLAN CREDIT REFUNDABLE.—

''(A) IN GENERAL.—In the case of the small employer pension plan credit under subsection (b)(14), the aggregate credits allowed under subpart C shall be increased by the lesser of—

''(i) the credit which would be allowed without regard to this paragraph and the limitation under paragraph (1), or

''(ii) the amount by which the aggregate amount of credits allowed by this section (without regard to this paragraph) would increase if the limitation under paragraph (1) were increased by the taxpayer's applicable payroll taxes for the taxable year.

''(B) TREATMENT OF CREDIT.—The amount of the credit allowed under this paragraph shall not be treated as a credit allowed under this subpart and shall reduce the amount of the credit allowed under this section for the taxable year.

''(C) APPLICABLE PAYROLL TAXES.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'applicable payroll taxes' means, with respect to any taxpayer for any taxable year—

''(I) the amount of the taxes imposed by sections 3111 and 3221(a) on compensation paid by the taxpayer during the taxable year,

''(II) 50 percent of the taxes imposed by section 1401 on the self-employment income of the taxpayer during the taxable year, and

''(III) 50 percent of the taxes imposed by section 3211(a)(1) on amounts received by the taxpayer during the calendar year in which the taxable year begins.

''(ii) AGREEMENTS REGARDING FOREIGN AFFILIATES.—Section 24(d)(5)(C) shall apply for purposes of clause (i).''.

(d) CONFORMING AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section ___02, is amended by adding at the end the following new item:

''Sec. 45E. Small employer pension plan credit.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred or contributions made in connection with qualified employer plans established after December 31, 2000.

SEC. ___07. ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.

(a) IN GENERAL.—Section 404 (relating to deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred payment plan) is amended by adding at the end the following new subsection:

''(n) ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.—Elective deferrals (as defined in section 402(g)(3)) shall not be subject to any limitation contained in paragraph (3), (7), or (9) of subsection (a), and such elective deferrals shall not be taken into account in applying any such limitation to any other contributions.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

SEC. ___08. FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.

(a) AMENDMENTS TO 1986 CODE.—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking ''A plan'' and inserting ''Except as provided in paragraph (12), a plan'', and

(2) by adding at the end the following:

''(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

''(A) by substituting '3 years' for '5 years' in subparagraph (A), and

''(B) by substituting the following table for the table contained in subparagraph (B):

''Years of service:	The nonforfeitable percentage is:
2	20
3	40
4	60
5	80
6	100.''.

(b) AMENDMENTS TO ERISA.—Section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) is amended—

(1) in paragraph (2), by striking ''A plan'' and inserting ''Except as provided in paragraph (4), a plan'', and

(2) by adding at the end the following:

''(4) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A) of the Internal Revenue Code of 1986), paragraph (2) shall be applied—

''(A) by substituting '3 years' for '5 years' in subparagraph (A), and

''(B) by substituting the following table for the table contained in subparagraph (B):

''Years of service:	The nonforfeitable percentage is:
2	20
3	40
4	60
5	80
6	100.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions for plan years beginning after December 31, 1999.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified by the date of enactment of this Act, the amendments made by this section shall not apply to contributions on behalf of employees covered by any such agreement for plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of enactment), or

(ii) January 1, 2000, or

(B) January 1, 2004.

(3) SERVICE REQUIRED.—With respect to any plan, the amendments made by this section shall not apply to any employee before the date that such employee has 1 hour of service under such plan in any plan year to which the amendments made by this section apply.

SEC. ___09. REDUCED PBGC PREMIUM FOR NEW PLANS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subparagraph (A) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended—

(1) in clause (i), by inserting ''other than a new single-employer plan (as defined in subparagraph (F)),'' after ''single-employer plan,'',

(2) in clause (iii), by striking the period at the end and inserting '', and'', and

(3) by adding at the end the following new clause:

''(iv) in the case of a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined) for the plan year, $5 for each individual who is a participant in such plan during the plan year.''.

(b) DEFINITION OF NEW SINGLE-EMPLOYER PLAN.—Section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended by adding at the end the following new subparagraph:

''(F)(i) For purposes of this paragraph, a single-employer plan maintained by an employer shall be treated as a new single-employer plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of such plan, the employer or any member of such employer's controlled group (or any predecessor of either) had not established or maintained a plan to which this title applies with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the new single-employer plan.

''(ii)(I) For purposes of this paragraph, the term 'small employer' means an employer which on the first day of any plan year has, in aggregation with all members of the controlled group of such employer, 100 or fewer employees.

''(II) In the case of a plan maintained by 2 or more contributing sponsors that are not part of the same controlled group, the employees of all contributing sponsors and controlled groups of such sponsor shall be aggregated for purposes of determining whether the sponsor is a small employer.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 1999.

SEC. ___10. PHASE-IN OF ADDITIONAL PBGC PREMIUM FOR NEW PLANS.

(a) AMENDMENTS TO ERISA.—Subparagraph (E) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)) is amended by adding at the end the following new clause:

''(v) In the case of a new defined benefit plan, the amount determined under clause (ii) for any plan year shall be an amount equal to the product derived by multiplying the amount determined under clause (ii) by the applicable percentage. For purposes of this clause, the term 'applicable percentage' means—

''(I) 0 percent, for the first plan year.

''(II) 20 percent, for the second plan year.

''(III) 40 percent, for the third plan year.

''(IV) 60 percent, for the fourth plan year.

''(V) 80 percent, for the fifth plan year.

''(VI) 100 percent, for the sixth plan year, and for each succeeding plan year.

For purposes of this clause, a defined benefit plan (as defined in section 3(35)) maintained by an employer shall be treated as a new defined benefit plan if, during the 36-month period ending on the date of the adoption of the plan, the employer and each member of any controlled group including the employer (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the new plan.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 1999.

SEC. ___11. ELIMINATION OF USER FEE FOR REQUESTS TO IRS REGARDING NEW PENSION PLANS.

(a) ELIMINATION OF CERTAIN USER FEES.—The Secretary of the Treasury or the Secretary's delegate shall not require payment of user fees under the program established under section 10511 of the Revenue Act of 1987 for requests to the Internal Revenue Service for ruling letters, opinion letters, and determination letters or similar requests with respect to the qualified status of a new pension benefit plan or any trust which is part of the plan.

(b) NEW PENSION BENEFIT PLAN.—For purposes of this section—

(1) IN GENERAL.—The term ''new pension benefit plan'' means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan which is maintained by one or more eligible employers if such employer (or any predecessor employer) has not made a prior request described in subsection (a) for such plan (or any predecessor plan).

(2) ELIGIBLE EMPLOYER.—The term ''eligible employer'' means an employer (or any predecessor employer) which has not established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued for service, in the 3 most recent taxable years ending prior to the first taxable year in which the request is made.

(c) EFFECTIVE DATE.—The provisions of this section shall apply with respect to requests made after December 31, 1999.

SEC. ___12. DEDUCTION LIMITS.

(a) IN GENERAL.—Section 404(a) (relating to general rule) is amended by adding at the end the following:

''(12) DEFINITION OF COMPENSATION.—For purposes of paragraphs (3), (7), (8), and (9), the term 'compensation' shall include amounts treated as participant's compensation under subparagraph (C) or (D) of section 415(c)(3).''.

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 404(a)(3) is amended by striking the last sentence thereof.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. ___13. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) COMPENSATION LIMIT.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

''(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL AND MULTIEMPLOYER PLANS.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.''.

(b) COMBINING AND AGGREGATION OF PLANS.—

(1) COMBINING OF PLANS.—Subsection (f) of section 415 (relating to combining of plans) is amended by adding at the end the following:

''(3) EXCEPTION FOR MULTIEMPLOYER PLANS.—Notwithstanding paragraph (1) and subsection (g), a multiemployer plan (as defined in section 414(f)) shall not be combined or aggregated with any other plan maintained by an employer for purposes of applying the limitations established in this section, except that such plan shall be combined or aggregated with another plan solely for purposes of determining whether such other plan meets the requirements of subsection (b)(1)(A).''.

(2) CONFORMING AMENDMENT FOR AGGREGATION OF PLANS.—Subsection (g) of section 415 (relating to aggregation of plans) is amended by striking ''The Secretary'' and inserting ''Except as provided in subsection (f)(3), the Secretary''.

(c) EARLY RETIREMENT LIMITS FOR CERTAIN PLANS.—Section 415(b)(2)(F) is amended to read as follows:

''(F) MULTIEMPLOYER PLANS AND PLANS MAINTAINED BY GOVERNMENTS AND TAX EXEMPT ORGANIZATIONS.—In the case of a governmental plan (within the meaning of section 414(d)), a plan maintained by an organization (other than a governmental unit) exempt from tax under this subtitle, a multiemployer plan (as defined in section 414(f)), or a qualified merchant marine plan—

''(i) subparagraph (C) shall be applied—

''(I) by substituting 'age 62' for 'social security retirement age' each place it appears, and

''(II) as if the last sentence thereof read as follows: 'The reduction under this subparagraph shall not reduce the ,imitation of paragraph (1)(A) below (i) 80 percent of such limitation as in effect for the year, or (ii) if the benefit begins before age 55, the equivalent for such 80 percent amount for age 55.'', and

''(ii) subparagraph (D) shall be applied by substituting 'age 65' for 'social security retirement age' each place it appears.

For purposes of this subparagraph, the term 'qualified merchant marine plan' means a plan in existence on January 1, 1986, the participants in which are merchant marine officers holding licenses issued by the Secretary of Transportation under title 46, United States Code.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1999.

SEC. ___14. PENSION REDUCTION DISCLOSURE.

(a) NOTICE REQUIRED FOR CERTAIN PLAN AMENDMENTS REDUCING FUTURE BENEFIT ACCRUALS.—

(1) GENERAL NOTICE REQUIREMENTS.—Section 204(h) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(h)) is amended to read as follows:

''(h) NOTICE REQUIREMENTS FOR PENSION PLAN AMENDMENTS REDUCING ACCRUALS.—

''(1) IN GENERAL.—If an applicable pension plan is amended so as to provide for a significant reduction in the rate of future benefit accrual of 1 or more applicable individuals, the plan administrator shall—

''(A) not later than the 45th day before the effective date of the amendment, provide the written notice described in paragraph (2) to each applicable individual (and to each employee organization representing applicable individuals), and

''(B) in the case of a large applicable pension plan—

''(i) include in the notice under paragraph (2) the additional information described in paragraph (3),

''(ii) make available the information described in paragraph (4) in accordance with such paragraph, and

''(iii) provide individual benefit statements in accordance with section 105(e).

''(2) BASIC WRITTEN NOTICE.—The notice under paragraph (1) shall include a summary of the important terms of the amendment, including—

''(A) the effective date of the amendment,

''(B) a statement that the amendment is expected to significantly reduce the rate of future benefit accrual,

''(C) a description of the classes of applicable individuals to whom the amendment applies, and

''(D) a description of how the amendment significantly reduces the rate of future benefit accrual.

''(3) ADDITIONAL INFORMATION TO BE PROVIDED BY LARGE APPLICABLE PENSION PLANS.—

''(A) IN GENERAL.—The information described in this paragraph is—

''(i) a description of the plan's benefit formulas (including formulas for determining early retirement benefits) both before and after the amendment and an explanation of the effect of the different formulas on applicable individuals,

''(ii) an explanation of the circumstances (if any) under which (for appropriate categories of applicable individuals) the amendment is reasonably expected to result in a temporary period after the effective date of the amendment during which there are no or minimal accruals,

''(iii) illustrative examples of normal or early retirement benefits meeting the requirements of subparagraph (B), and

''(iv) notice of each applicable individual's right to request, and of the procedures for requesting, the information required to be provided under paragraph (4) and under section 105(e).

''(B) ILLUSTRATIVE EXAMPLES.—Illustrative examples meet the requirements of this subparagraph if such examples illustrate the adverse effects of the plan amendment. Such examples shall be prepared by the plan administrator in accordance with regulations prescribed by the Secretary of the Treasury, and such regulations shall require that the examples—

''(i) reflect fairly the different categories of applicable individuals who are similarly affected by the plan amendment after consideration of all relevant factors,

''(ii) show a comparison of benefits for each such category of applicable individuals under the plan (as in effect before and after the effective date) at appropriate future dates, and

''(iii) illustrate any temporary period described in subparagraph (A)(ii).

Such comparison shall be based on benefits in the form of a life annuity and on actuarial assumptions each of which is reasonable (and is so certified by an enrolled actuary) when applied to all participants in the plan.

''(4) SUPPORTING INFORMATION RELATING TO CALCULATION OF BENEFITS.—

''(A) IN GENERAL.—Each individual who receives or who is entitled to receive the information described in paragraph (3) may (after so receiving or becoming so entitled) request the plan administrator to provide the information described in subparagraph (B).

''(B) INFORMATION.—The plan administrator shall, within 15 days after the date on which a request under subparagraph (A) is made, provide to the individual information (including benefit formulas and actuarial factors) which is sufficient—

''(i) to confirm the benefit comparisons in the illustrative examples described in paragraph (3)(B), and

''(ii) to enable the individual to use the individual's own personal information to make calculations of the individual's own benefits which are similar to the calculations made in such examples.

Nothing in this subsection shall be construed to require the plan administrator to provide to an individual such individual's personal information for purposes of clause (ii).

''(C) TIME LIMITATION ON REQUESTS.—This paragraph shall apply only to requests made during the 12-month period that begins on the later of the effective date of the amendment to which it relates or the date the notice described in paragraph (2) is provided.

''(5) SANCTIONS.—

''(A) IN GENERAL.—In the case of any egregious failure to meet any requirement of this subsection with respect to any plan amendment, the provisions of the applicable pension plan shall be applied as if such plan amendment entitled all applicable individuals to the greater of—

''(i) the benefits to which they would have been entitled without regard to such amendment, or

''(ii) the benefits under the plan with regard to such amendment.

''(B) EGREGIOUS FAILURE.—For purposes of subparagraph (A), there is an egregious failure to meet the requirements of this subsection if such failure is—

''(i) an intentional failure (including any failure to promptly provide the required notice or information after the plan administrator discovers an unintentional failure to meet the requirements of this subsection),

''(ii) a failure to provide most of the individuals with most of the information they are entitled to receive under this subsection, or

''(iii) a failure which is determined to be egregious under regulations prescribed by the Secretary of the Treasury.

''(C) EXCISE TAX.—For excise tax on failure to meet requirements, see section 4980F of the Internal Revenue Code of 1986.

''(6) SPECIAL RULES.—

''(A) PLAIN LANGUAGE.—The notice required under paragraph (1) shall be written in a manner calculated to be understood by the average plan participant who is an applicable individual.

''(B) NOTICE TO DESIGNEES.—The notice and information required to be provided under this subsection may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

''(7) ALTERNATIVE METHODS OF COMPLIANCE WITH ENHANCED DISCLOSURE REQUIREMENTS IN CERTAIN CASES.—The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out this subsection. The Secretary of the Treasury may—

''(A) prescribe alternative or simplified methods of complying with paragraphs (3) and (4) in situations where—

''(i) there is no fundamental change in the manner in which the accrued benefit of an applicable individual is determined under the plan, and

''(ii) such other methods are adequate to reasonably inform plan participants who are applicable individuals of the impact of the reductions,

''(B) reduce the advance notice period in paragraph (1)(A) from 45 days to 15 days before the effective date of the amendment for cases in which compliance with the 45-day advance notice requirement would be unduly burdensome because the amendment is contingent on a merger, acquisition, disposition, or other similar transaction involving plan participants who are applicable individuals or because 45 days advance notice is otherwise impracticable,

''(C) permit the comparison of benefits under paragraph (3)(B)(i) to be based on a form of payment other than a life annuity, or

''(D) specify actuarial assumptions that are deemed to be reasonable for purposes of the benefit comparisons under paragraph (3)(B)(i).

''(8) APPLICABLE INDIVIDUAL.—For purposes of this subsection, the term 'applicable individual' means, with respect to any plan amendment—

''(A) each participant in the plan, and

''(B) each beneficiary who is an alternate payee (within the meaning of section 206(d)(3)(K)) under a qualified domestic relations order (within the meaning of section 206(d)(3)(B)(i)),

whose future benefit accruals under the plan may reasonably be expected to be reduced by such plan amendment.

''(9) TERMS RELATING TO PLANS.—For purposes of this subsection—

''(A) APPLICABLE PENSION PLAN.—The term 'applicable pension plan' means—

''(i) a defined benefit plan, or

''(ii) an individual account plan which is subject to the funding standards of section 302.

''(B) LARGE APPLICABLE PENSION PLAN.—The term 'large applicable pension plan' means an applicable pension plan which had 100 or more active participants as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective.''

(2) INDIVIDUAL STATEMENTS.—Section 105 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025) is amended by adding at the end the following new subsection:

''(e)(1) The plan administrator of a large applicable pension plan shall furnish an individual statement described in paragraph (2) to each individual—

''(A) who receives, or is entitled to receive, under section 204(h) the information described in paragraph (3) thereof from such administrator, and

''(B) who requests in writing such a statement from such administrator.

''(2) The statement described in this paragraph is a statement which provides information which is substantially the same as the information in the illustrative examples described in section 204(h)(3)(B) but which is based on data specific to the requesting individual and, if the individual so requests, information as of 1 other future date not included in such examples.

''(3) Paragraph (1) shall apply only to requests made during the 12-month period that begins on the later of the effective date of the amendment to which it relates or the date the notice described in section 204(h)(2) is provided. In no case shall an individual be entitled under this subsection to receive more than one such statement with respect to an amendment.

''(4) Notwithstanding section 502(c)(1), the statement required by paragraph (1) shall be treated as timely furnished if furnished on or before—

''(A) the date which is 90 days after the effective date of the plan amendment to which is relates, or

''(B) such later date as may be permitted by the Secretary of Labor.

''(5) Any term used in this subsection which is used in section 204(h) shall have the meaning given such term by such section.

''(6) A statement under this subsection shall not be taken into account for purposes of subsection (b).''

(b) EXCISE TAX ON FAILURE TO PROVIDE NOTICE BY DEFINED BENEFIT PLANS SIGNIFICANTLY REDUCING FUTURE BENEFIT ACCRUALS.—

(1) IN GENERAL.—Chapter 43 (relating to qualified pension, etc., plans) is amended by adding at the end the following new section:

''SEC. 4980F. FAILURE OF DEFINED BENEFIT PLANS REDUCING BENEFIT ACCRUALS TO SATISFY NOTICE REQUIREMENTS.

''(a) IMPOSITION OF TAX.—There is hereby imposed a tax on the failure of a plan administrator of an applicable pension plan to meet the requirements of subsection (e) with respect to any applicable individual.

''(b) AMOUNT OF TAX.—

''(1) IN GENERAL.—The amount of the tax imposed by subsection (a) on any failure with respect to any applicable individual shall be $100 for each day in the noncompliance period with respect to such failure.

''(2) NONCOMPLIANCE PERIOD.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period beginning on the date the failure first occurs and ending on the date the failure is corrected.

''(c) LIMITATIONS ON AMOUNT OF TAX.—

''(1) OVERALL LIMITATION FOR UNINTENTIONAL FAILURES.—

''(A) IN GENERAL.—In the case of failures that are due to reasonable cause and not to willful neglect, the tax imposed by subsection (a) for failures during the taxable year of the employer (or, in the case of a multiemployer plan, the taxable year of the trust forming part of the plan) shall not exceed $500,000 ($1,000,000 in the case of a large applicable pension plan).

''(B) TAXABLE YEARS IN THE CASE OF CERTAIN CONTROLLED GROUPS.—For purposes of this paragraph, if all persons who are treated as a single employer for purposes of this section do not have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

''(2) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

''(d) LIABILITY FOR TAX.—The following shall be liable for the tax imposed by subsection (a):

''(1) In the case of a plan other than a multiemployer plan, the employer.

''(2) In the case of a multiemployer plan, the plan.

''(e) NOTICE REQUIREMENTS FOR PENSION PLAN AMENDMENTS REDUCING ACCRUALS.—

''(1) IN GENERAL.—If an applicable pension plan is amended so as to provide for a significant reduction in the rate of future benefit accrual of 1 or more applicable individuals, the plan administrator shall—

''(A) not later than the 45th day before the effective date of the amendment, provide the written notice described in paragraph (2) to each applicable individual (and to each employee organization (as defined in section 3(4) of the Employee Retirement Income Security Act of 1974) representing applicable individuals), and

''(B) in the case of a large applicable pension plan—

''(i) include in the notice under paragraph (2) the additional information described in paragraph (3), and

''(ii) make available the information described in paragraph (4) in accordance with such paragraph.

''(2) BASIC WRITTEN NOTICE.—The notice under paragraph (1) shall include a summary of the important terms of the amendment, including—

''(A) the effective date of the amendment,

''(B) a statement that the amendment is expected to significantly reduce the rate of future benefit accrual,

''(C) a description of the classes of applicable individuals to whom the amendment applies, and

''(D) a description of how the amendment significantly reduces the rate of future benefit accrual.

''(3) ADDITIONAL INFORMATION TO BE PROVIDED BY LARGE APPLICABLE PENSION PLANS.—

''(A) IN GENERAL.—The information described in this paragraph is—

''(i) a description of the plan's benefit formulas (including formulas for determining early retirement benefits) both before and after the amendment and an explanation of the effect of the different formulas on applicable individuals,

''(ii) an explanation of the circumstances (if any) under which (for appropriate categories of applicable individuals) the amendment is reasonably expected to result in a temporary period after the effective date of the amendment during which there are no or minimal accruals,

''(iii) illustrative examples of normal or early retirement benefits meeting the requirements of subparagraph (B), and

''(iv) notice of each applicable individual's right to request, and of the procedures for requesting, the information required to be provided under paragraph (4) and under section 105(e) of Employee Retirement Income Security Act of 1974.

''(B) ILLUSTRATIVE EXAMPLES.—Illustrative examples meet the requirements of this subparagraph if such examples illustrate the adverse effects of the plan amendment. Such examples shall be prepared by the plan administrator in accordance with regulations prescribed by the Secretary, and such regulations shall require that the examples—

''(i) reflect fairly the different categories of applicable individuals who are similarly affected by the plan amendment after consideration of all relevant factors,

''(ii) show a comparison of benefits for each such category of applicable individuals under the plan (as in effect before and after the effective date) at appropriate future dates, and

''(iii) illustrate any temporary period described in subparagraph (A)(ii).

Such comparison shall be based on benefits in the form of a life annuity and on actuarial assumptions each of which is reasonable (and is so certified by an enrolled actuary) when applied to all participants in the plan.

''(4) SUPPORTING INFORMATION RELATING TO CALCULATION OF BENEFITS.—

''(A) IN GENERAL.—Each individual who receives or who is entitled to receive the information described in paragraph (3) may (after so receiving or becoming so entitled) request the plan administrator to provide the information described in subparagraph (B).

''(B) INFORMATION.—The plan administrator shall, within 15 days after the date on which a request under subparagraph (A) is made, provide to the individual information (including benefit formulas and actuarial factors) which is sufficient—

''(i) to confirm the benefit comparisons in the illustrative examples described in paragraph (3)(B), and

''(ii) to enable the individual to use the individual's own personal information to make calculations of the individual's own benefits which are similar to the calculations made in such examples.

Nothing in this subsection shall be construed to require the plan administrator to provide to an individual such individual's personal information for purposes of clause (ii).

''(C) TIME LIMITATION ON REQUESTS.—This paragraph shall apply only to requests made during the 12-month period that begins on the later of the effective date of the amendment to which it relates or the date the notice described in paragraph (2) is provided.

''(5) SPECIAL RULES.—

''(A) PLAIN LANGUAGE.—The notice required under paragraph (1) shall be written in a manner calculated to be understood by the average plan participant who is an applicable individual.

''(B) NOTICE TO DESIGNEES.—The notice or information required to be provided under this subsection may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

''(6) ALTERNATIVE METHODS OF COMPLIANCE WITH ENHANCED DISCLOSURE REQUIREMENTS IN CERTAIN CASES.—The Secretary shall prescribe such regulations as may be necessary to carry out this subsection. The Secretary may—

''(A) prescribe alternative or simplified methods of complying with paragraphs (3) and (4) in situations where—

''(i) there is no fundamental change in the manner in which the accrued benefit of an applicable individual is determined under the plan, and

''(ii) such other methods are adequate to reasonably inform plan participants who are

applicable individuals of the impact of the reductions,

''(B) reduce the advance notice period in paragraph (1)(A) from 45 days to 15 days before the effective date of the amendment for cases in which compliance with the 45-day advance notice requirement would be unduly burdensome because the amendment is contingent on a merger, acquisition, disposition, or other similar transaction involving plan participants who are applicable individuals or because 45 days advance notice is otherwise impracticable,

''(C) permit the comparison of benefits under paragraph (3)(B)(i) to be based on a form of payment other than a life annuity, or

''(D) specify actuarial assumptions that are deemed to be reasonable for purposes of the benefit comparisons under paragraph (3)(B)(i).

''(7) APPLICABLE INDIVIDUAL.—For purposes of this subsection, the term 'applicable individual' means, with respect to any plan amendment—

''(A) each participant in the plan, and

''(B) each beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under a qualified domestic relations order (within the meaning of section 414(p)(1)),

whose future benefit accruals under the plan may reasonably be expected to be reduced by such plan amendment.

''(8) TERMS RELATING TO PLANS.—For purposes of this subsection—

''(A) APPLICABLE PENSION PLAN.—The term 'applicable pension plan' means—

''(i) a defined benefit plan, or

''(ii) an individual account plan which is subject to the funding standards of section 412.

Such term shall not include any governmental plan (within the meaning of section 414(d)) or any church plan (within the meaning of section 414(e)) with respect to which the election provided by section 410(d) has not been made.

''(B) LARGE APPLICABLE PENSION PLAN.—The term 'large applicable pension plan' means an applicable pension plan which had 100 or more active participants as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective.''

(2) CONFORMING AMENDMENT.—The table of sections for chapter 43 is amended by adding at the end the following new item:

''Sec. 4980F. Failure of defined benefit plans reducing benefit accruals to satisfy notice requirements.''

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan amendments taking effect after the date of the enactment of this Act.

(2) SPECIAL RULES.—

(A) IN GENERAL.—The amendments made by this section shall not apply to any plan amendment for which there was written notice before July 12, 1999, which was reasonably expected to notify substantially all of the plan participants or their representatives.

(B) TRANSITION.—Until such time as the Secretary of the Treasury issues regulations under section 4980F(e) (3) and (4) of the Internal Revenue Code of 1986 and section 204(h) (3) and (4) of the Employee Retirement Income Security Act of 1974 (as added by the amendments made by this section), a plan shall be treated as meeting the requirements of such sections if it makes a good faith effort to comply with such requirements.

(C) NOTICE AND INFORMATION NOT REQUIRED TO BE FURNISHED BEFORE 120TH DAY AFTER ENACTMENT.—The period for providing any notice or information required by the amendments made by this section shall not end before the date which is 120 days after the date of the enactment of this Act.

SEC. ___15. PREVENTION OF WEARING AWAY OF EMPLOYEE'S ACCRUED BENEFIT.

(a) AMENDMENT TO INTERNAL REVENUE CODE.—Section 411(d)(6) (relating to accrued benefit may not be decreased by amendment) is amended by adding at the end the following new subparagraph:

''(D) TREATMENT OF PLAN AMENDMENTS WEARING AWAY ACCRUED BENEFIT.—

''(i) IN GENERAL.—For purposes of subparagraph (A), a plan amendment adopted by a large defined benefit plan shall be treated as reducing accrued benefits of a participant if, under the terms of the plan after the adoption of the amendment, the accrued benefit of the participant may at any time be less than the sum of—

''(I) the participant's accrued benefit for years of service before the effective date of the amendment, determined under the terms of the plan as in effect immediately before the effective date, plus

''(II) the participant's accrued benefit determined under the formula applicable to benefit accruals under the current plan as applied to years of service after such effective date.

''(ii) LARGE DEFINED BENEFIT PLAN.—For purposes of this subparagraph, the term 'large defined benefit plan' means any defined benefit plan which had 100 or more participants who had accrued a benefit under the plan (whether or not vested) as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective.

''(iii) PROTECTED ACCRUED BENEFIT.—For purposes of this subparagraph, an accrued benefit shall include any early retirement benefit or retirement-type subsidy (within the meaning of subparagraph (B)(i)), but only with respect to a participant who satisfies (either before or after the effective date of the amendment) the conditions for the benefit or subsidy under the terms of the plan as in effect immediately before such date.''

(b) AMENDMENT OF ERISA.—Section 204(g) of the Employee Retirement Income Security Act of 1974 is amended by adding at the end the following new paragraph:

''(4)(A) For purposes of paragraph (1), a plan amendment adopted by a large defined benefit plan shall be treated as reducing accrued benefits of a participant if, under the terms of the plan after the adoption of the amendment, the accrued benefit of the participant may at any time be less than the sum of—

''(i) the participant's accrued benefit for years of service before the effective date of the amendment, determined under the terms of the plan as in effect immediately before the effective date, plus

''(ii) the participant's accrued benefit determined under the formula applicable to benefit accruals under the current plan as applied to years of service after such effective date.

''(B) For purposes of this paragraph, the term 'large defined benefit plan' means any defined benefit plan which had 100 or more participants who had accrued a benefit under the plan (whether or not vested) as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective.

''(C) For purposes of this paragraph, an accrued benefit shall include any early retirement benefit or retirement-type subsidy (within the meaning of paragraph (2)(A)), but only with respect to a participant who satisfies (either before or after the effective date of the amendment) the conditions for the benefit or subsidy under the terms of the plan as in effect immediately before such date.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan amendments adopted after June 29, 1999.

Subtitle B—Promoting Technological and Economic Development

SEC. ___21. INCREASE IN EXPENSING LIMITATION TO $25,000.

(a) IN GENERAL.—Paragraph (1) of section 179(b) of the Internal Revenue Code of 1986 (relating to limitations) is amended to read as follows:

''(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. ___22. NEW MARKETS TAX CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by section ___06, is amended by adding at the end the following new section:

''SEC. 45F. NEW MARKETS TAX CREDIT.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—For purposes of section 38, in the case of a taxpayer who holds a qualified equity investment on a credit allowance date of such investment which occurs during the taxable year, the new markets tax credit determined under this section for such taxable year is an amount equal to 6 percent of the amount paid to the qualified community development entity for such investment at its original issue.

''(2) CREDIT ALLOWANCE DATE.—The term 'credit allowance date' means, with respect to any qualified equity investment—

''(A) the date on which such investment is initially made, and

''(B) each of the 4 anniversary dates of such date thereafter.

''(b) QUALIFIED EQUITY INVESTMENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified equity investment' means any equity investment in a qualified community development entity if—

''(A) such investment is acquired by the taxpayer at its original issue (directly or through an underwriter) solely in exchange for cash,

''(B) substantially all of such cash is used by the qualified community development entity to make qualified low-income community investments, and

''(C) such investment is designated for purposes of this section by the qualified community development entity.

Such term shall not include any equity investment issued by a qualified community development entity more than 5 years after the date that such entity receives an allocation under subsection (f). Any allocation not used within such 5-year period may be reallocated by the Secretary under subsection (f).

''(2) LIMITATION.—The maximum amount of equity investments issued by a qualified community development entity which may be designated under paragraph (1)(C) by such entity shall not exceed the portion of the limitation amount allocated under subsection (f) to such entity.

''(3) SAFE HARBOR FOR DETERMINING USE OF CASH.—The requirement of paragraph (1)(B) shall be treated as met if at least 85 percent of the aggregate gross assets of the qualified community development entity are invested in qualified low-income community investments.

''(4) TREATMENT OF SUBSEQUENT PURCHASERS.—The term 'qualified equity investment' includes any equity investment which

would (but for paragraph (1)(A)) be a qualified equity investment in the hands of the taxpayer if such investment was a qualified equity investment in the hands of a prior holder.

''(5) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this subsection.

''(6) EQUITY INVESTMENT.—The term 'equity investment' means—

''(A) any stock in a qualified community development entity which is a corporation, and

''(B) any capital interest in a qualified community development entity which is a partnership.

''(c) QUALIFIED COMMUNITY DEVELOPMENT ENTITY.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified community development entity' means any domestic corporation or partnership if—

''(A) the primary mission of the entity is serving, or providing investment capital for, low-income communities or low-income persons,

''(B) the entity maintains accountability to residents of low-income communities through representation on governing or advisory boards or otherwise, and

''(C) the entity is certified by the Secretary for purposes of this section as being a qualified community development entity.

''(2) SPECIAL RULES FOR CERTAIN ORGANIZATIONS.—The requirements of paragraph (1) shall be treated as met by—

''(A) any specialized small business investment company (as defined in section 1044(c)(3)), and

''(B) any community development financial institution (as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702)).

''(d) QUALIFIED LOW-INCOME COMMUNITY INVESTMENTS.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified low-income community investment' means—

''(A) any equity investment in, or loan to, any qualified active low-income community business,

''(B) the purchase from another community development entity of any loan made by such entity which is a qualified low-income community investment if the amount received by such other entity from such purchase is used by such other entity to make qualified low-income community investments,

''(C) financial counseling and other services specified in regulations prescribed by the Secretary to businesses located in, and residents of, low-income communities, and

''(D) any equity investment in, or loan to, any qualified community development entity if substantially all of the investment or loan is used by such entity to make qualified low-income community investments described in subparagraphs (A), (B), and (C).

''(2) QUALIFIED ACTIVE LOW-INCOME COMMUNITY BUSINESS.—

''(A) IN GENERAL.—For purposes of paragraph (1), the term 'qualified active low-income community business' means, with respect to any taxable year, any corporation or partnership if for such year—

''(i) at least 50 percent of the total gross income of such entity is derived from the active conduct of a qualified business within any low-income community,

''(ii) a substantial portion of the use of the tangible property of such entity (whether owned or leased) is within any low-income community,

''(iii) a substantial portion of the services performed for such entity by its employees are performed in any low-income community,

''(iv) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, and

''(v) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to nonqualified financial property (as defined in section 1397B(e)).

''(B) PROPRIETORSHIP.—Such term shall include any business carried on by an individual as a proprietor if such business would meet the requirements of subparagraph (A) were it incorporated.

''(C) PORTIONS OF BUSINESS MAY BE QUALIFIED ACTIVE LOW-INCOME COMMUNITY BUSINESS.—The term 'qualified active low-income community business' includes any trades or businesses which would qualify as a qualified active low-income community business if such trades or businesses were separately incorporated.

''(3) QUALIFIED BUSINESS.—For purposes of this subsection, the term 'qualified business' has the meaning given to such term by section 1397B(d); except that—

''(A) in lieu of applying paragraph (2)(B) thereof, the rental to others of real property located in any low-income community shall be treated as a qualified business if there are substantial improvements located on such property,

''(B) paragraph (3) thereof shall not apply, and

''(C) such term shall not include any business if a significant portion of the equity interests in such business are held by any person who holds a significant portion of the equity investments in the community development entity.

''(e) LOW-INCOME COMMUNITY.—For purposes of this section—

''(1) IN GENERAL.—The term 'low-income community' means any population census tract if—

''(A) the poverty rate for such tract is at least 20 percent, or

''(B)(i) in the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of statewide median family income, or

''(ii) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income.

''(2) AREAS NOT WITHIN CENSUS TRACTS.—In the case of an area which is not tracted for population census tracts, the equivalent county divisions (as defined by the Bureau of the Census for purposes of defining poverty areas) shall be used for purposes of determining poverty rates and median family income.

''(3) TARGETED POPULATION.—The Secretary may prescribe regulations under which 1 or more targeted populations (within the meaning of section 3(20) of the Riegle Community Development and Regulatory Improvement Act of 1974 (12 U.S.C. 4702(20))) may be treated as low-income communities. Such regulations shall include procedures for identifying the area covered by any such community for purposes of determining entities which are qualified active low-income community businesses with respect to such community.

''(f) NATIONAL LIMITATION ON AMOUNT OF INVESTMENTS DESIGNATED.—

''(1) IN GENERAL.—There is a new markets tax credit limitation of $750,000,000 for each of calendar years 2001 through 2005 and zero for any succeeding calendar year.

''(2) ALLOCATION OF LIMITATION.—The limitation under paragraph (1) shall be allocated by the Secretary among qualified community development entities selected by the Secretary. In making allocations under the preceding sentence, the Secretary shall give priority to entities with records of having successfully provided capital or technical assistance to disadvantaged businesses or communities.

''(3) CARRYOVER OF UNUSED LIMITATION.—If the new markets tax credit limitation for any calendar year exceeds the aggregate amount allocated under paragraph (2) for such year, such limitation for the succeeding calendar year shall be increased by the amount of such excess.

''(g) RECAPTURE OF CREDIT IN CERTAIN CASES.—

''(1) IN GENERAL.—If, at any time during the 5-year period beginning on the date of the original issue of a qualified equity investment in a qualified community development entity, there is a recapture event with respect to such investment, then the tax imposed by this chapter for the taxable year in which such event occurs shall be increased by the credit recapture amount.

''(2) CREDIT RECAPTURE AMOUNT.—For purposes of paragraph (1), the credit recapture amount is an amount equal to the sum of—

''(A) the aggregate decrease in the credits allowed to the taxpayer under section 38 for all prior taxable years which would have resulted if no credit had been determined under this section with respect to such investment, plus

''(B) interest at the overpayment rate established under section 6621 on the amount determined under subparagraph (A) for each prior taxable year for the period beginning on the due date for filing the return for the prior taxable year involved.

No deduction shall be allowed under this chapter for interest described in subparagraph (B).

''(3) RECAPTURE EVENT.—For purposes of paragraph (1), there is a recapture event with respect to an equity investment in a qualified community development entity if—

''(A) such entity ceases to be a qualified community development entity,

''(B) the proceeds of the investment cease to be used as required of subsection (b)(1)(B), or

''(C) such investment is redeemed by such entity.

''(4) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

''(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.

''(h) BASIS REDUCTION.—The basis of any qualified equity investment shall be reduced by the amount of any credit determined under this section with respect to such investment.

''(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section, including regulations—

''(1) which limit the credit for investments which are directly or indirectly subsidized by other Federal benefits (including the credit under section 42 and the exclusion from gross income under section 103),

''(2) which prevent the abuse of the provisions of this section through the use of related parties,

''(3) which impose appropriate reporting requirements

''(4) which apply the provisions of this section to newly formed entities.''

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Subsection (b) of section 38, as amended by section ___06, is amended by striking ''plus'' at the end of paragraph (13), by striking the period at the end of paragraph (14) and inserting '', plus'', and by adding at the end the following new paragraph:

''(15) the new markets tax credit determined under section 45F(a).''

(2) LIMITATION ON CARRYBACK.—Subsection (d) of section 39 is amended by adding at the end the following new paragraph:

''(11) NO CARRYBACK OF NEW MARKETS TAX CREDIT BEFORE JANUARY 1, 2000.—No portion of the unused business credit for any taxable year which is attributable to the credit under section 45E may be carried back to a taxable year ending before January 1, 2000.''

(c) DEDUCTION FOR UNUSED CREDIT.—Subsection (c) of section 196 is amended by striking ''and'' at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting '', and'', and by adding at the end the following new paragraph:

''(9) the new markets tax credit determined under section 45F(a).''

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section ___06, is amended by adding at the end the following new item:

''Sec. 45F. New markets tax credit.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to investments made after December 31, 2000.

SEC. ___23. WAGE CREDITS FOR ROUND 2 EMPOWERMENT ZONES.

(a) IN GENERAL.—Section 1396(b)(2) (relating to special rule) is amended by inserting ''or pursuant to section 1391(g)'' after ''section 1391(b)(2)''.

(b) CONFORMING AMENDMENT.—Section 1396 is amended by striking subsection (e).

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect of the date of the enactment of this Act.

SEC. ___24. CREDIT FOR INFORMATION TECHNOLOGY TRAINING PROGRAM EXPENSES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by section ___22, is amended by adding at the end the following:

''SEC. 45G. INFORMATION TECHNOLOGY TRAINING PROGRAM EXPENSES.

''(a) GENERAL RULE.—For purposes of section 38, in the case of an employer, the information technology training program credit determined under this section is an amount equal to 20 percent of information technology training program expenses paid or incurred by the taxpayer during the taxable year.

''(b) ADDITIONAL CREDIT PERCENTAGE FOR CERTAIN PROGRAMS.—The percentage under subsection (a) shall be increased by 5 percentage points for information technology training program expenses paid or incurred—

''(1) by the taxpayer with respect to a program operated in—

''(A) an empowerment zone or enterprise community designated under part I of subchapter U,

''(B) a school district in which at least 50 percent of the students attending schools in such district are eligible for free or reduced-cost lunches under the school lunch program established under the National School Lunch Act,

''(C) an area designated as a disaster area by the Secretary of Agriculture or by the President under the Disaster Relief and Emergency Assistance Act in the taxable year or the 4 preceding taxable years,

''(D) a rural enterprise community designated under section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999,

''(E) an area designated by the Secretary of Agriculture as a Rural Economic Area Partnership Zone, or

''(F) an area designated by the Secretary of Agriculture as a Champion Community, or

''(2) by a small employer.

''(c) LIMITATION.—The amount of information technology training program expenses with respect to an individual which may be taken into account under subsection (a) for the taxable year shall not exceed $6,000.

''(d) INFORMATION TECHNOLOGY TRAINING PROGRAM EXPENSES.—For purposes of this section—

''(1) IN GENERAL.—The term 'information technology training program expenses' means expenses paid or incurred by reason of the participation of the employer in any information technology training program.

''(2) INFORMATION TECHNOLOGY TRAINING PROGRAM.—The term 'information technology training program' means a program—

''(A) for the training of—

''(i) computer programmers, systems analysts, and computer scientists or engineers (as such occupations are defined by the Bureau of Labor Statistics), and

''(ii) such other occupations as determined by the Secretary, after consultation with a working group broadly solicited by the Secretary and open to all interested information technology entities and trade and professional associations,

''(B) involving a partnership of—

''(i) employers, and

''(ii) State training programs, school districts, university systems, tribal colleges, or certified commercial information technology training providers, and

''(C) at least 50 percent of the costs of which is paid or incurred by the employers.

''(3) CERTIFIED COMMERCIAL INFORMATION TECHNOLOGY TRAINING PROVIDER.—The term 'certified commercial information technology training providers' means a private sector provider of educational products and services utilized for training in information technology which is certified with respect to—

''(A) the curriculum that is used for the training, or

''(B) the technical knowledge of the instructors of such provider,

by 1 or more software publishers or hardware manufacturers the products of which are a subject of the training.

''(e) SMALL EMPLOYER.—For purposes of this section, the term 'small employer' means, with respect to any calendar year, any employer if such employer employed 200 or fewer employees on each business day in each of 20 or more calendar weeks in such year or the preceding calendar year.

''(f) DENIAL OF DOUBLE BENEFIT.—No deduction or credit under any other provision of this chapter shall be allowed with respect to information technology training program expenses (determined without regard to the limitation under subsection (c)).

''(g) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of section 45A(e)(2) and subsections (c), (d), and (e) of section 52 shall apply.''

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (relating to current year business credit), as amended by section ___22, is amended by striking ''plus'' at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting '', plus'', and by adding at the end the following:

''(16) the information technology training program credit determined under section 45G.''

(c) NO CARRYBACKS.—Subsection (d) of section 39 (relating to carryback and carryforward of unused credits), as amended by section ___22, is amended by adding at the end the following:

''(12) NO CARRYBACK OF SECTION 45G CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the information technology training program credit determined under section 45G may be carried back to a taxable year ending before the date of the enactment of section 45G.''

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section ___22, is amended by adding at the end the following:

''Sec. 45G. Information technology training program expenses.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ___25. RESTORATION OF STANDARDS FOR DETERMINING WHETHER TECHNICAL WORKERS ARE NOT EMPLOYEES.

(a) REPEAL OF SECTION 530(d) OF THE REVENUE ACT OF 1978.—Section 530(d) of the Revenue Act of 1978 (as added by section 1706 of the Tax Reform Act of 1986) is repealed.

(b) EFFECTIVE DATE.—The amendment made by subsection (c) shall apply to periods ending after the date of enactment of this Act.

SEC. ___26. CERTAIN POST-SECONDARY EDUCATIONAL BENEFITS PROVIDED BY AN EMPLOYER TO CHILDREN OF EMPLOYEES EXCLUDABLE FROM GROSS INCOME AS A SCHOLARSHIP.

(a) IN GENERAL.—Section 117 (relating to qualified scholarships) is amended by adding at the end the following:

''(e) EMPLOYER-PROVIDED POST-SECONDARY EDUCATIONAL BENEFITS PROVIDED TO CHILDREN OF EMPLOYEES.—

''(1) IN GENERAL.—In determining whether any amount is a qualified scholarship for purposes of subsection (a), the fact that such amount is provided in connection with an employment relationship shall be disregarded if—

''(A) such amount is provided by the employer to a child (as defined in section 161(c)(3)) of an employee of such employer,

''(B) such amount is provided pursuant to a plan which meets the nondiscrimination requirements of subsection (d)(3), and

''(C) amounts provided under such plan are in addition to any other compensation payable to employees and such plan does not provide employees with a choice between such amounts and any other benefit.

For purposes of subparagraph (C), the business practices of the employer (as well as such plan) shall be taken into account.

''(2) DOLLAR LIMITATIONS.—

''(A) PER CHILD.—The amount excluded from the gross income of the employee by reason of paragraph (1) for a taxable year with respect to amounts provided to each child of such employee shall not exceed $2,000.

''(B) AGGREGATE LIMIT.—The amount excluded from the gross income of the employee by reason of paragraph (1) for a taxable year (after the application of subparagraph (A)) shall not exceed the excess of the

dollar amount contained in section 127(a)(2) over the amount excluded from the employee's gross income under section 127 for such year.

''(3) PRINCIPAL SHAREHOLDERS AND OWNERS.—Paragraph (1) shall not apply to any amount provided to any child of any individual if such individual (or such individual's spouse) owns (on any day of the year) more than 5 percent of the stock or of the capital or profits interest in the employer.

''(4) SPECIAL RULES OF APPLICATION.—In the case of an amount which is treated as a qualified scholarship by reason of this subsection—

''(A) subsection (a) shall be applied without regard to the requirement that the recipient be a candidate for a degree, and

''(B) subsection (b)(2)(A) shall be applied by substituting 'section 529(e)(5)' for 'section 170(b)(1)(A)(ii)'.

''(5) CERTAIN OTHER RULES TO APPLY.—Rules similar to the rules of paragraphs (4), (5), and (7) of section 127(c) shall apply for purposes of this subsection.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of enactment of this Act.

SEC. ___27. INCREASE IN STATE CEILING ON LOW-INCOME HOUSING CREDIT.

(a) IN GENERAL.—Clause (i) of section 42(h)(3)(C) (relating to State housing credit ceiling) is amended to read as follows:

''(i) the applicable amount under subparagraph (H) multiplied by the State population,''.

(b) APPLICABLE AMOUNT.—Paragraph (3) of section 42(h) (relating to housing credit dollar amount for agencies) is amended by adding at the end the following new subparagraph:

''(H) APPLICABLE AMOUNT OF STATE CEILING.—For purposes of subparagraph (C)(i), the applicable amount shall be determined under the following table:

''For calendar year—	The applicable amount is—
2000	$1.30
2001	1.35
2002	1.40
2003	1.45
2004	1.50
2005	1.55
2006	1.60
2007	1.65
2008	1.70
2009 and thereafter	1.75.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years after 1999.

Subtitle C—Expanding Economic Opportunities

SEC. ___31. WORK OPPORTUNITY CREDIT AND WELFARE-TO-WORK CREDIT.

(a) TEMPORARY EXTENSION.—Sections 51(c)(4)(B) and 51A(f) (relating to termination) are each amended by striking ''December 31, 2000'' and inserting ''December 31, 2004''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after December 31, 2000.

SEC. ___32. EXTENSION OF CREDIT FOR HOLDERS OF QUALIFIED ZONE ACADEMY BONDS.

Section 1397E(e)(1) (relating to national limitation) is amended by striking ''and 1999'' and inserting '', 1999, and 2000''.

Subtitle D—Promoting Family-Owned Farms and Businesses

SEC. ___41. INCREASE IN ESTATE TAX DEDUCTION FOR FAMILY-OWNED BUSINESS INTEREST.

(a) IN GENERAL.—Section 2057(a)(2) (relating to maximum deduction) is amended by striking ''$675,000'' and inserting ''$1,125,000''.

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) (relating to coordination with unified credit) is amended by striking ''$675,000'' each place it appears in the text and heading and inserting ''$1,125,000''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2002.

SEC. ___42. INCOME AVERAGING FOR FARMERS NOT TO INCREASE ALTERNATIVE MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Section 55(c) (defining regular tax) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following:

''(2) COORDINATION WITH INCOME AVERAGING FOR FARMERS.—Solely for purposes of this section, section 1301 (relating to averaging of farm income) shall not apply in computing the regular tax.''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ___43. NET OPERATING LOSS OF FARMERS.

(a) INCREASE IN CARRYBACK YEARS.—Paragraph (1) of section 172(b) (relating to net operating loss carrybacks and carryforwards) is amended by adding at the end the following new subparagraph:

''(G) FARMING LOSSES.—Subparagraph (A) shall be applied—

''(i) in the matter preceding clause (i), by substituting 'any taxable year beginning with the 3rd taxable year after the taxable year of such loss' for 'any taxable year', and

''(ii) in clause (i), by substituting '10 years' for '2 years',

with respect to the portion of the net operating loss of an eligible taxpayer (as defined in subsection (i)) for any taxable year beginning after December 31, 2000, and ending before January 1, 2003, which is a farming loss (as so defined) with respect to the taxpayer.''

(b) DEFINITIONS AND RULES RELATING TO FARMING LOSSES.—Section 172 is amended by redesignating subsection (i) as subsection (j) and inserting after subsection (h) the following new subsection:

''(i) DEFINITIONS AND RULES RELATING TO FARMING LOSSES.—For purposes of this section—

''(1) FARMING LOSS.—

''(A) IN GENERAL.—The term 'farming loss' means the lesser of—

''(i) the net operating loss of the taxpayer for the taxable year, or

''(ii) the net operating loss of the taxpayer for the taxable year determined by only taking into account items of income and deduction attributable to 1 or more qualified farming business of the taxpayer.

''(B) DOLLAR LIMITATION.—

''(i) IN GENERAL.—The farming loss of taxpayer for any taxable year shall not exceed $200,000.

''(ii) AGGREGATION RULES.—

''(I) IN GENERAL.—All persons treated as 1 employer under subsections (a) or (b) of section 52 shall be treated as 1 person.

''(II) PASS-THRU ENTITY.—In the case of a partnership, trust, or other pass-thru entity, the limitation shall be applied at both the entity and the owner level.

''(III) OWNER.—The limitation shall be reduced by the amount of farming loss determined for a corporation for which the taxpayer is a 50 percent owner in the taxable year of the corporation ending in the taxable year of the taxpayer owner.

''(2) ELIGIBLE TAXPAYER.—

''(A) IN GENERAL.—The term 'eligible taxpayer' means a taxpayer which derives more than 50 percent of its gross income for the 3-year period beginning 2 years prior to the current taxable year from qualified farming businesses.

''(B) QUALIFIED FARMING BUSINESS.—The term 'qualified farming business' means a trade or business of farming (within the meaning of section 2032A)—

''(i) with respect to which—

''(I) the taxpayer or a member of the family of the taxpayer materially participates (within the meaning of section 2032A(e)(6)), or

''(II) in the case of a taxpayer other than an individual, a 20 percent owner of the taxpayer or a member of the owner's family materially participates (as so defined), and

''(ii) which does not receive in excess of $7,000,000 for sales in a taxable year.

For purposes of clause (i)(II), owners which are members of a single family shall be treated as a single owner.

''(3) OWNER.—

''(A) 20 PERCENT OWNER.—The term '20 percent owner' means any person who would be described in section 416(i)(1)(B)(i) if '20 percent' were substituted for '5 percent' each place it appears in such section.

''(B) 50 PERCENT OWNER.—The term '50 percent owner' means any person who would be described in section 416(i)(1)(B)(i) if '50 percent' were substituted for '5 percent' each place it appears in such section.

''(4) COORDINATION WITH SUBSECTION (b)(2).—For purposes of applying subsection (b)(2), a farming loss for any taxable year shall be treated as a separate net operating loss for such taxable year to be taken into account for the remaining portion of the net operating loss for such taxable year.

''(5) ELECTION.—Any taxpayer entitled to a 10-year carryback under subsection (b)(1)(G) from any loss year may elect to have the carryback period with respect to such loss year, and any portion of the farming loss for such year, determined without regard to subsection (b)(1)(G). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for the taxable year.''

SEC. ___44. SMALL BUSINESSES ALLOWED INCREASED DEDUCTION FOR MEAL EXPENSES.

(a) IN GENERAL.—Subsection (n) of section 274 (relating to only 50 percent of meal and entertainment expenses allowed as deduction) is amended by adding at the end the following new paragraph:

''(4) SPECIAL RULE FOR SMALL BUSINESSES.—

''(A) IN GENERAL.—In the case of any taxpayer which is a small business, paragraph (1) shall be applied by substituting for '50 percent' with respect to expenses for food or beverages—

''(i) '55 percent' in the case of taxable years beginning in 2001, and

''(ii) '60 percent' in the case of taxable years beginning after 2001.

''(B) SMALL BUSINESS.—For purposes of this paragraph, the term 'small business' means, with respect to expenses paid or incurred during any taxable year—

''(i) any C corporation which meets the requirements of section 55(e)(1) for such year, and

''(ii) any S corporation, partnership, or sole proprietorship which would meet such requirements if it were a C corporation.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2000.

SEC. ___45. TAX EXCLUSION FOR COST-SHARING PAYMENTS UNDER PARTNERS FOR WILDLIFE PROGRAM.

(a) IN GENERAL.—Section 126(a) (relating to certain cost-sharing payments) is amended by redesignating paragraph (10) as paragraph (11) and by inserting after paragraph (9) the following:

''(10) The Partners for Wildlife Program authorized by the Fish and Wildlife Act of 1956 (16 U.S.C. 742a et seq.).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

Subtitle E—Providing Administrative Relief

SEC. ___51. DISCLOSURE OF TAX INFORMATION TO FACILITATE COMBINED EMPLOYMENT TAX REPORTING.

Section 6103(d)(5) is amended to read as follows:

''(5) DISCLOSURE FOR COMBINED EMPLOYMENT TAX REPORTING.—The Secretary may disclose taxpayer identity information and signatures to any agency, body, or commission of any State for the purpose of carrying out with such agency, body, or commission a combined Federal and State employment tax reporting program approved by the Secretary. Subsections (a)(2) and (p)(4) and sections 7213 and 7213A shall not apply with respect to disclosures or inspections made pursuant to this paragraph.''

SEC. ___52. ENROLLED AGENTS.

(a) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

''SEC. 7527. ENROLLED AGENTS.

''(a) IN GENERAL.—The Secretary may prescribe such regulations as may be necessary to regulate the conduct of enrolled agents in regards to their practice before the Internal Revenue Service.

''(b) USE OF CREDENTIALS.—

''(1) IN GENERAL.—Any enrolled agent properly licensed to practice before the Internal Revenue Service under subsection (a) shall be allowed to use the credentials 'Enrolled Agent', 'EA', or 'E.A.'.

''(2) PROHIBITION ON INTERFERENCE.—No state, municipality or locality, or agency thereof, shall interfere with the right of enrolled agents to use such credentials as described in paragraph (b)(1).''

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end the following new item:

''Sec. 7527. Enrolled agents.''

(c) PRIOR REGULATIONS.—Nothing in the amendments made by this section shall be construed to have any effect on part 10 of title 31, Code of Federal Regulations, or any other Federal rule or regulation issued before the date of the enactment of this Act.

Subtitle F—Revenue Offsets

SEC. ___61. RESTORATION OF PHASE-OUT OF UNIFIED CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 2001(c) is amended by striking ''$10,000,000'' and all that follows and inserting ''$10,000,000. The amount of the increase under the preceding sentence shall not exceed the sum of the applicable credit amount under section 2010(c) (determined without regard to section 2057(a)(3)) and $359,200.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying after the date of enactment of this Act.

SEC. ___62. REPEAL OF LOWER-OF-COST-OR-MARKET METHOD OF ACCOUNTING FOR INVENTORIES.

(a) IN GENERAL.—Section 471 (relating to general rule for inventories) is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

''(b) CERTAIN WRITE-DOWNS NOT PERMITTED; USE OF MARK-DOWNS REQUIRED UNDER RETAIL METHOD.—

''(1) IN GENERAL.—A taxpayer—

''(A) may not use the lower-of-cost-or-market method of accounting for inventories, and

''(B) may not write-down items by reason of being unsalable at normal prices or unusable in the normal way because of damage, imperfections, shop wear, changes of style, odd or broken lots, or other similar causes.

Subparagraph (B) shall not apply to a taxpayer using a mark-to-market method of accounting for both gains and losses in inventory values.

''(2) MARK-DOWNS REQUIRED TO BE TAKEN INTO ACCOUNT UNDER RETAIL METHOD.—The retail method of accounting for inventories shall be applied by taking into account mark-downs in determining the approximate cost of the inventories.

''(3) EXCEPTION FOR CERTAIN SMALL BUSINESSES.—Paragraph (1) shall not apply to any taxpayer for any taxable year if, for all prior taxable years ending on or after the date of the enactment of this subsection, the taxpayer (or any predecessor) met the $5,000,000 gross receipts test of section 448(c).

''(4) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this subsection, including regulations relating to wash-sale-type transactions.''

(b) CONFORMING AMENDMENTS.—

(1) Clause (iii) of section 312(n)(4)(C) is amended to read as follows:

''(iii) INVENTORY AMOUNT.—The inventory amount of assets under the first-in, first-out method authorized by section 471 shall be determined using the method authorized to be used by the taxpayer under such section.''

(2) Subparagraph (C) of section 1363(d)(4) is amended to read as follows:

''(C) INVENTORY AMOUNT.—The inventory amount of assets under a method authorized by section 471 shall be determined using the method authorized to be used by the corporation under such section.''

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this subsection.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by this section to change its method of accounting for its first taxable year beginning after the date of the enactment of this subsection—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account ratably over the 4-taxable year period beginning with the first taxable year beginning after such date.

SEC. ___63. CONSISTENT AMORTIZATION PERIODS FOR INTANGIBLES.

(a) START-UP EXPENDITURES.—

(1) ALLOWANCE OF DEDUCTION.—Subsection (b) of section 195 (relating to start-up expenditures) is amended by striking paragraph (1), by redesignating paragraph (2) as paragraph (3), and by inserting before paragraph (3), as so redesignated, the following new paragraphs:

''(1) ALLOWANCE OF DEDUCTION.—If a taxpayer elects the application of this subsection with respect to any start-up expenditures—

''(A) the taxpayer shall be allowed a deduction for the taxable year in which the active trade or business begins in an amount equal to the lesser of—

''(i) the amount of start-up expenditures with respect to the active trade or business, or

''(ii) $5,000, reduced (but not below zero) by the amount by which such start-up expenditures exceed $50,000, and

''(B) the remainder of such start-up expenditures shall be allowed as a deduction ratably over the 180-month period beginning with the month in which the active trade or business begins.

''(2) AGGREGATION RULE.—For purposes of paragraph (1), all persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single person.''

(2) CONFORMING AMENDMENT.—Subsection (b) of section 195 is amended by striking ''AMORTIZE'' and inserting ''DEDUCT'' in the heading.

(b) ORGANIZATIONAL EXPENDITURES.—Subsection (a) of section 248 (relating to organizational expenditures) is amended to read as follows:

''(a) ELECTION TO DEDUCT.—

''(1) IN GENERAL.—If a corporation elects the application of this subsection (in accordance with regulations prescribed by the Secretary) with respect to any organizational expenditures—

''(A) the corporation shall be allowed a deduction for the taxable year in which the corporation begins business in an amount equal to the lesser of—

''(i) the amount of organizational expenditures with respect to the taxpayer, or

''(ii) $5,000, reduced (but not below zero) by the amount by which such organizational expenditures exceed $50,000, and

''(B) the remainder of such organizational expenditures shall be allowed as a deduction ratably over the 180-month period beginning with the month in which the corporation begins business.

''(2) AGGREGATION RULE.—For purposes of paragraph (1), all persons which are treated as a single employer under subsection (a) or (b) of section 52 shall be treated as a single person.''

(c) TREATMENT OF ORGANIZATIONAL AND SYNDICATION FEES OR PARTNERSHIPS.—Section 709(b) (relating to amortization of organization fees) is amended by redesignating paragraph (2) as paragraph (4) and by amending paragraph (1) to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—If a taxpayer elects the application of this subsection (in accordance with regulations prescribed by the Secretary) with respect to any organizational expenses—

''(A) the taxpayer shall be allowed a deduction for the taxable year in which the partnership begins business in an amount equal to the lesser of—

''(i) the amount of organizational expenses with respect to the partnership, or

''(ii) $5,000, reduced (but not below zero) by the amount by which such organizational expenses exceed $50,000, and

''(B) the remainder of such organizational expenses shall be allowed as a deduction ratably over the 180-month period beginning with the month in which the partnership begins business.

''(2) DISPOSITIONS BEFORE CLOSE OF AMORTIZATION PERIOD.—In any case in which a partnership is liquidated before the end of the period to which paragraph (1)(B) applies, any deferred expenses attributable to the partnership which were not allowed as a deduction by reason of this section may be deducted to the extent allowable under section 165.

''(3) AGGREGATION RULE.—For purposes of paragraph (1), all persons which are treated as a single employer under subsection (a) or (b) of section 52 shall be treated as a single person.''

(d) CONFORMING AMENDMENT.—Subsection (b) of section 709 is amended by striking ''AMORTIZATION'' and inserting ''DEDUCTION'' in the heading.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts

paid or incurred after the date of the enactment of this Act.

SEC. ___64. EXTENSION OF HAZARDOUS SUBSTANCE SUPERFUND TAXES.

(a) EXTENSION OF TAXES.—

(1) ENVIRONMENTAL TAX.—Section 59A(e) is amended to read as follows:

''(e) APPLICATION OF TAX.—The tax imposed by this section shall apply to taxable years beginning after December 31, 1986, and before January 1, 1996, and to taxable years beginning after December 31, 1999, and before January 1, 2010.''

(2) EXCISE TAXES.—Section 4611(e) is amended to read as follows:

''(e) APPLICATION OF HAZARDOUS SUBSTANCE SUPERFUND FINANCING RATE.—The Hazardous Substance Superfund Financing rate under this section shall apply after December 31, 1986, and before January 1, 1996, and after the date of the enactment of the Tax Extenders Act of 1999, and before October 1, 2009.''

(b) EFFECTIVE DATES.—

(1) INCOME TAX.—The amendment made by subsection (a)(1) shall apply to taxable years beginning after December 31, 1999.

(2) EXCISE TAX.—The amendment made by subsection (a)(2) shall take effect on the date of the enactment of this Act.

SEC. ___65. DISALLOWANCE OF NONECONOMIC TAX ATTRIBUTES.

(a) IN GENERAL.—Section 7701 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) DISALLOWANCE OF NONECONOMIC TAX ATTRIBUTES.—

''(1) IN GENERAL.—In determining liability for any tax under subtitle A, noneconomic tax attributes shall not be allowed.

''(2) NONECONOMIC TAX ATTRIBUTE.—For purposes of this subsection, a noneconomic tax attribute is any deduction, loss, or credit claimed to result from any transaction unless—

''(A) the transaction changes in a meaningful way (apart from Federal income tax consequences) the taxpayer's economic position, and

''(B)(i) the present value of the reasonably expected potential income from the transaction (and the taxpayer's risk of loss from the transaction) are substantial in relationship to the present value of the tax benefits claimed, or

''(ii) in the case of a transaction which is in substance the borrowing of money or the acquisition of financial capital, the deductions claimed with respect to the transaction for any period are not significantly in excess of the economic return for such period realized by the person lending the money or providing the financial capital.

''(3) PRESUMPTION OF NONECONOMIC TAX ATTRIBUTES.—For purposes of paragraph (2), the following factors shall give rise to a presumption that a transaction fails to meet the requirements of paragraph (2):

''(A) The fact that the payments, liabilities, or assets that purport to create a loss (or other benefit) for tax purposes are not reflected to any meaningful extent on the taxpayer's books and records for financial reporting purposes.

''(B) The fact that the transaction results in an allocation of income or gain to a tax-indifferent party which is substantially in excess of such party's economic income or gain from the transaction.

''(4) TREATMENT OF BUILT-IN LOSS.—The determination of whether a transaction results in the realization of a built-in loss shall be made under subtitle A as if this subsection had not been enacted. For purposes of the preceding sentence, the term 'built-in loss' means any loss or deduction to the extent that such loss or deduction had economically been incurred before such transaction is entered into and to the extent that the loss or deduction was economically borne by the taxpayer.

''(5) DEFINITION AND SPECIAL RULES.—For purposes of this subsection—

''(A) TAX-INDIFFERENT PARTY.—The term 'tax-indifferent party' means any person or entity exempt from tax under subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if, by reason of such person's method of accounting, the items taken into account with respect to the transaction have no substantial impact on such person's liability under subtitle A.

''(B) SERIES OF RELATED TRANSACTION.—A transaction which is part of a series of related transactions shall be treated as meeting the requirements of paragraph (2) only if—

''(i) such transaction meets such requirements without regard to the other transactions, and

''(ii) such transactions, if treated as 1 transaction, would meet such requirements. A similar rule shall apply to a multiple step transaction with each step being treated as a separate related transaction.

''(C) NORMAL BUSINESS TRANSACTIONS.—In the case of a transaction which is an integral part of a taxpayer's trade or business and which is entered into in the normal course of such trade or business, the determination of the potential income from such transaction shall be made by taking into account its relationship to the overall trade or business of the taxpayer.

''(D) TREATMENT OF FEES.—In determining whether there is risk of loss from a transaction (and the amount thereof), potential loss of fees and other transaction expenses shall be disregarded.

''(E) TREATMENT OF ECONOMIC RETURN ENHANCEMENTS.—The following shall be treated as economic returns and not tax benefits:

''(i) The credit under section 29 (relating to credit for producing fuel from a nonconventional source).

''(ii) The credit under section 42 (relating to low-income housing credit).

''(iii) The credit under section 45 (relating to electricity produced from certain renewable resources).

''(iv) The credit under section 1397E (relating to credit to holders of qualified zone academy bonds) or any similar program hereafter enacted.

''(v) Any other tax benefit specified in regulations.

''(F) EXCEPTIONS FOR NONBUSINESS TRANSACTIONS.—

''(i) INDIVIDUALS.—In the case of an individual, this subsection shall only apply to transactions entered into in connection with a trade or business or activity engaged in for profit.

''(ii) CHARITABLE TRANSFERS.—This subsection shall not apply in determining the amount allowable as a deduction under section 170, 545(b)(2), 556(b)(2), or 642(c).

''(6) ECONOMIC SUBSTANCE DOCTRINE, ETC., NOT AFFECTED.—The provisions of this subsection shall not be construed as altering or supplanting any rule of law referred to in section 6662(i)(2)(B) and the requirements of this subsection shall be construed as being in addition to any such rule of law.''

(b) INCREASE IN SUBSTANTIAL UNDERPAYMENT PENALTY WITH RESPECT TO DISALLOWED NONECONOMIC TAX ATTRIBUTES.—Section 6662 (relating to imposition of accuracy-related penalty) is amended by adding at the end the following new subsection:

''(i) INCREASE IN PENALTY IN CASE OF DISALLOWED NONECONOMIC TAX ATTRIBUTES.—

''(1) IN GENERAL.—In the case of the portion of the underpayment to which this subsection applies—

''(A) subsection (a) shall be applied with respect to such portion by substituting '40 percent' for '20 percent', and

''(B) subsection (d)(2)(B) and section 6664(c) shall not apply.

''(2) UNDERPAYMENTS TO WHICH SUBSECTION APPLIES.—This subsection shall apply to an underpayment to which this section applies by reason of paragraph (1) or (2) of subsection (b) to the extent that such underpayment is attributable to—

''(A) the disallowance of any noneconomic tax attribute (determined under section 7701(m)), or

''(B) the disallowance of any other benefit—

''(i) because of a lack of economic substance or business purpose for the transaction giving rise to the claimed benefit,

''(ii) because the form of the transaction did not reflect its substance, or

''(iii) because of any other similar rule of law.

''(3) INCREASE IN PENALTY NOT TO APPLY IF COMPLIANCE WITH DISCLOSURE REQUIREMENTS.—Paragraph (1)(A) shall not apply if the taxpayer—

''(A) discloses to the Secretary within 30 days after the closing of the transaction appropriate documents describing the transaction, and

''(B) files with the taxpayer's return of tax imposed by subtitle A—

''(i) a statement verifying that such disclosure has been made,

''(ii) a detailed description of the facts, assumptions of facts, and factual conclusions with respect to the business or economic purposes or objectives of the transaction that are relied upon to support the manner in which it is reported on the return,

''(iii) a description of the due diligence performed to ascertain the accuracy of such facts, assumptions, and factual conclusions,

''(iv)(I) a statement (signed by the senior financial officer of the corporation under penalty of perjury) that the facts, assumptions, or factual conclusions relied upon in reporting the transaction are true and correct as of the date the return is filed, to the best of such officer's knowledge and belief, and

''(II) if the actual facts varied materially from the facts, assumptions, or factual conclusions relied upon, a statement describing such variances,

''(v) copies of any written material provided in connection with the offer of the transaction to the taxpayer by a third party,

''(vi) a full description of any express or implied agreement or arrangement with any advisor, or with any offeror, that the fee payable to such person would be contingent or subject to possible reimbursement, and

''(vii) a full description of any express or implied warranty from any person with respect to the anticipated tax results from the transaction.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions after the date of the enactment of this Act.

WELLSTONE (AND OTHERS) AMENDMENT NO. 2752

(Ordered to lie on the table.)

Mr. WELLSTONE (for himself, Mr. DASCHLE, Mr. DORGAN, and Mr. HARKIN) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the end insert the following:

DIVISION 2—AGRIBUSINESS MERGER MORATORIUM AND ANTITRUST REVIEW ACT OF 1999

SEC. ___1. SHORT TITLE.

This division may be cited as the ''Agribusiness Merger Moratorium and Antitrust Review Act of 1999''.

SEC. ___2. FINDINGS.

Congress finds the following:

(1) Concentration in the agricultural economy including mergers, acquisitions, and other combinations and alliances among suppliers, producers, packers, other food processors, and distributors has been accelerating at a rapid pace in the 1990's.

(2) The trend toward greater concentration in agriculture has important and far-reaching implications not only for family-based farmers, but also for the food we eat, the communities we live in, and the integrity of the natural environment upon which we all depend.

(3) In the past decade and a half, the top 4 largest pork packers have seized control of some 57 percent of the market, up from 36 percent. Over the same period, the top 4 beef packers have expanded their market share from 32 percent to 80 percent, the top 4 flour millers have increased their market share from 40 percent to 62 percent, and the market share of the top 4 soybean crushers has jumped from 54 percent to 80 percent.

(4) Today the top 4 sheep, poultry, wet corn, and dry corn processors now control 73 percent, 55 percent, 74 percent, and 57 percent of the market, respectively.

(5) A handful of firms dominate the processing of every major commodity. Many of them are vertically integrated, which means that they control successive stages of the food chain, from inputs to production to distribution.

(6) Growing concentration of the agricultural sector has restricted choices for farmers trying to sell their products. As the bargaining power of agribusiness firms over farmers increases, agricultural commodity markets are becoming stacked against the farmer.

(7) The farmer's share of every retail dollar has plummeted from around 50 percent in 1952, to less than 25 percent today, while the profit share for farm input, marketing, and processing companies has risen.

(8) While agribusiness conglomerates are posting record earnings, farmers are facing desperate times. The commodity price index is the lowest since 1987. Hog prices are at their lowest since 1972. Cotton and soybean prices are the lowest they have been since the early 1970's.

(9) The benefits of low commodity prices are not being passed on to American consumers. The gap between what shoppers pay for food and what farmers are paid is growing wider. From 1984 to 1998, prices paid to farmers fell 36 percent, while consumer food prices actually increased by 3 percent.

(10) Concentration, low prices, anticompetitive practices, and other manipulations and abuses of the agricultural economy are driving family-based farmers out of business. Farmers are going bankrupt or giving up, and few are taking their places; more farm families are having to rely on other jobs to stay afloat; and the number of farmers leaving the land will continue to increase unless and until these trends are reversed.

(11) The decline of family-based agriculture undermines the economies of rural communities across America; it has pushed Main Street businesses, from equipment suppliers to insurance sales people, out of business or to the brink of insolvency.

(12) Increased concentration in the agribusiness sector has a harmful effect on the environment; corporate hog farming, for example, threatens the integrity of local water supplies and creates noxious odors in neighboring communities. Concentration also can increase the risks to food safety and limit the biodiversity of plants and animals.

(13) The decline of family-based farming poses a direct threat to American families and family values, by subjecting farm families to turmoil and stress.

(14) The decline of family-based farming causes the demise of rural communities, as stores lose customers, churches lose congregations, schools and clinics become under-used, career opportunities for young people dry up, and local inequalities of wealth and income grow wider.

(15) These developments are not the result of inevitable market forces. They are the consequence of policies made in Washington, including farm, antitrust, and trade policies.

(16) To restore competition in the agricultural economy, and to increase the bargaining power and enhance economic prospects for family-based farmers, the trend toward concentration must be reversed.

SEC. ___3. DEFINITIONS.

In this division:

(1) AGRICULTURAL INPUT SUPPLIER.—The term ''agricultural input supplier'' means any person (excluding agricultural cooperatives) engaged in the business of selling, in interstate or foreign commerce, any product to be used as an input (including seed, germ plasm, hormones, antibiotics, fertilizer, and chemicals, but excluding farm machinery) for the production of any agricultural commodity, except that no person shall be considered an agricultural input supplier if sales of such products are for a value less than $10,000,000 per year.

(2) BROKER.—The term ''broker'' means any person (excluding agricultural cooperatives) engaged in the business of negotiating sales and purchases of any agricultural commodity in interstate or foreign commerce for or on behalf of the vendor or the purchaser, except that no person shall be considered a broker if the only sales of such commodities are for a value less than $10,000,000 per year.

(3) COMMISSION MERCHANT.—The term ''commission merchant'' means any person (excluding agricultural cooperatives) engaged in the business of receiving in interstate or foreign commerce any agricultural commodity for sale, on commission, or for or on behalf of another, except that no person shall be considered a commission merchant if the only sales of such commodities are for a value less than $10,000,000 per year.

(4) DEALER.—The term ''dealer'' means any person (excluding agricultural cooperatives) engaged in the business of buying, selling, or marketing agricultural commodities in interstate or foreign commerce, except that—

(A) no person shall be considered a dealer with respect to sales or marketing of any agricultural commodity of that person's own raising; and

(B) no person shall be considered a dealer if the only sales of such commodities are for a value less than $10,000,000 per year.

(5) PROCESSOR.—The term ''processor'' means any person (excluding agricultural cooperatives) engaged in the business of handling, preparing, or manufacturing (including slaughtering) of an agricultural commodity, or the products of such agricultural commodity, for sale or marketing for human consumption, except that no person shall be considered a processor if the only sales of such products are for a value less than $10,000,000 per year.

TITLE I—MORATORIUM ON LARGE AGRIBUSINESS MERGERS

SEC. 101. MORATORIUM ON LARGE AGRIBUSINESS MERGERS.

(a) IN GENERAL.—

(1) MORATORIUM.—Until the date referred to in paragraph (2) and except as provided in subsection (b)—

(A) no dealer, processor, commission merchant, agricultural input supplier, broker, or operator of a warehouse of agricultural commodities with annual net sales or total assets of more than $100,000,000 shall merge or acquire, directly or indirectly, any voting securities or assets of any other dealer, processor, commission merchant, agricultural input supplier, broker, or operator of a warehouse of agricultural commodities with annual net sales or total assets of more than $10,000,000; and

(B) no dealer, processor, commission merchant, agricultural input supplier, broker, or operator of a warehouse of agricultural commodities with annual net sales or total assets of more than $10,000,000 shall merge or acquire, directly or indirectly, any voting securities or assets of any other dealer, processor, commission merchant, agricultural input supplier, broker, or operator of a warehouse of agricultural commodities with annual net sales or total assets of more than $100,000,000 if the acquiring person would hold—

(i) 15 percent or more of the voting securities or assets of the acquired person; or

(ii) an aggregate total amount of the voting securities and assets of the acquired person in excess of $15,000,000.

(2) DATE.—The date referred to in this paragraph is the earlier of—

(A) the effective date of comprehensive legislation—

(i) addressing the problem of market concentration in the agricultural sector; and

(ii) containing a section stating that the legislation is comprehensive legislation as provided in section 101 of the Agribusiness Merger Moratorium and Antitrust Review Act of 1999; or

(B) the date that is 18 months after the date of enactment of this division.

(3) EXEMPTIONS.—The following classes of transactions are exempt from the requirements of this section—

(1) acquisitions of goods or realty transferred in the ordinary course of business;

(2) acquisitions of bonds, mortgages, deeds of trust, or other obligations which are not voting securities;

(3) acquisitions of voting securities of an issuer at least 50 per centum of the voting securities of which are owned by the acquiring person prior to such acquisition;

(4) transfers to or from a Federal agency or a State or political subdivision thereof; and

(5) acquisitions of voting securities, if, as a result of such acquisition, the voting securities acquired do not increase, directly or indirectly, the acquiring person's per centum share of outstanding voting securities of the issuer.

(b) WAIVER AUTHORITY.—The Attorney General shall have authority to waive the moratorium imposed by subsection (a) only under extraordinary circumstances, such as insolvency or similar financial distress of 1 of the affected parties.

TITLE II—AGRICULTURE CONCENTRATION AND MARKET POWER REVIEW COMMISSION

SEC. 201. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the Agriculture Concentration and Market Power Review Commission (hereafter in this title referred to as the ''Commission'').

(b) PURPOSES.—The purpose of the Commission is to—

(1) study the nature and consequences of concentration in America's agricultural economy; and

(2) make recommendations on how to change underlying antitrust laws and other

Federal laws and regulations to keep a fair and competitive agriculture marketplace for family farmers, other small and medium sized agriculture producers, generally, and the communities of which they are a part.

(c) MEMBERSHIP OF COMMISSION.—

(1) COMPOSITION.—The Commission shall be composed of 12 members as follows:

(A) Three persons, one of whom shall be a person currently engaged in farming or ranching, shall be appointed by the President pro tempore of the Senate upon the recommendation of the Majority Leader of the Senate, after consultation with the Chairman of the Committee on Agriculture, Nutrition, and Forestry.

(B) Three persons, one of whom shall be a person currently engaged in farming or ranching, shall be appointed by the President pro tempore of the Senate upon the recommendation of the Minority Leader of the Senate, after consultation with the ranking minority member of the Committee on Agriculture, Nutrition, and Forestry.

(C) Three persons, one of whom shall be a person currently engaged in farming or ranching, shall be appointed by the Speaker of the House of Representatives, after consultation with the Chairman of the Committee on Agriculture.

(D) Three persons, one of whom shall be a person currently engaged in farming or ranching, shall be appointed by the Minority Leader of the House of Representatives, after consultation with the ranking minority member of the Committee on Agriculture.

(2) QUALIFICATIONS OF MEMBERS.—

(A) APPOINTMENTS.—Persons who are appointed under paragraph (1) shall be persons who—

(i) have experience in farming or ranching, expertise in agricultural economics and antitrust, or have other pertinent qualifications or experience relating to agriculture and agriculture industries; and

(ii) are not officers or employees of the United States.

(B) OTHER CONSIDERATION.—In appointing Commission members, every effort shall be made to ensure that the members—

(i) are representative of a broad cross sector of agriculture and antitrust perspectives within the United States; and

(ii) provide fresh insights to analyzing the causes and impacts of concentration in agriculture industries and sectors.

(d) PERIOD OF APPOINTMENT; VACANCIES.—

(1) IN GENERAL.—Members shall be appointed not later than 60 days after the date of enactment of this division and the appointment shall be for the life of the Commission.

(2) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(e) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(f) MEETINGS.—The Commission shall meet at the call of the Chairperson.

(g) CHAIRPERSON AND VICE CHAIRPERSON.—The members of the Commission shall elect a chairperson and vice chairperson from among the members of the Commission.

(h) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business.

(i) VOTING.—Each member of the Commission shall be entitled to 1 vote, which shall be equal to the vote of every other member of the Commission.

SEC. 202. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall be responsible for examining the nature, the causes, and consequences concentration in America's agricultural economy in the broadest possible terms.

(b) ISSUES TO BE ADDRESSED.—The study shall include an examination of the following matters:

(1) The nature and extent of concentration in the agricultural sector, including food production, transportation, processing, distribution and marketing, and farm inputs such as machinery, fertilizer, and seeds.

(2) Current trends in concentration of the agricultural sector and what this sector is likely to look like in the near and longer term future.

(3) The effect of this concentration on farmer income.

(4) The impacts of this concentration upon rural communities, rural economic development, and the natural environment.

(5) The impacts of this concentration upon food shoppers, including the reasons that Depression-level farm prices have not resulted in corresponding drops in supermarket prices.

(6) The productivity of family-based farm units, compared with corporate based agriculture, and whether farming is approaching a scale that is larger than necessary from the standpoint of productivity.

(7) The effect of current laws and administrative practices in supporting and encouraging this concentration.

(8) Whether the existing antitrust laws provide adequate safeguards against, and remedies for, the impacts of concentration upon family-based agriculture, the communities they comprise, and the food shoppers of this Nation.

(9) Accurate and reliable data on the national and international markets shares of multinational agribusinesses, and the portion of their sales attributable to exports.

(10) Barriers that inhibit entry of new competitors into markets for the processing of agricultural commodities, such as the meat packing industry.

(11) The extent to which developments, such as formula pricing, marketing agreements, and forward contracting tend to give processors, agribusinesses, and other buyers of agricultural commodities additional market power over producers and suppliers in local markets.

(12) Such related matters as the Commission determines to be important.

SEC. 203. FINAL REPORT.

(a) IN GENERAL.—Not later than 12 months after the date of the initial meeting of the Commission, the Commission shall submit to the President and Congress a final report which contains—

(1) the findings and conclusions of the Commission described in section 202; and

(2) recommendations for addressing the problems identified as part of the Commission's analysis.

(b) SEPARATE VIEWS.—Any member of the Commission may submit additional findings and recommendations as part of the final report.

SEC. 204. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission may find advisable to fulfill the requirements of this title. The Commission shall hold at least 1 or more hearings in Washington, D.C., and 4 in different agriculture regions of the United States.

(b) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this title. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission.

(c) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

SEC. 205. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—Each member of the Commission shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission.

(b) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) STAFF.—

(1) IN GENERAL.—The Chairperson of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

(2) COMPENSATION.—The Chairperson of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee shall be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

SEC. 206. SUPPORT SERVICES.

The Administrator of the General Services Administration shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

SEC. 207. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $2,000,000 to the Commission as required by this title to carry out the provisions of this title.

DODD AMENDMENT NO. 2753

(Ordered to lie on the table.)

Mr. DODD submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. CONSUMER CREDIT.

(a) ENHANCED DISCLOSURES UNDER AN OPEN END CONSUMER CREDIT PLAN.—Section 127(b)

of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(11)(A) Repayment information that would apply to the outstanding balance of the consumer under the credit plan, including—

''(i) the required minimum monthly payment on that balance, represented as both a dollar figure and as a percentage of that balance;

''(ii) the number of months (rounded to the nearest month) that it would take to pay the entire amount of that balance, if the consumer pays only the required minimum monthly payments and if no further advances are made;

''(iii) the total cost to the consumer, including interest and principal payments, of paying that balance in full, if the consumer pays only the required minimum monthly payments and if no further advances are made; and

''(iv) the monthly payment amount that would be required for the consumer to eliminate the outstanding balance in 36 months if no further advances are made.

''(B)(i) Subject to clause (ii), in making the disclosures under subparagraph (A) the creditor shall apply the interest rate in effect on the date on which the disclosure is made until the date on which the balance would be paid in full.

''(ii) If the interest rate in effect on the date on which the disclosure is made is a temporary rate that will change under a contractual provision applying an index or formula for subsequent interest rate adjustment, the creditor shall apply the interest rate in effect on the date on which the disclosure is made for as long as that interest rate will apply under that contractual provision, and then apply an interest rate based on the index or formula in effect on the applicable billing date.''.

(b) CIVIL LIABILITY.—Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended, in the undesignated paragraph following paragraph (4), by striking the second sentence and inserting the following: ''In connection with the disclosures referred to in subsections (a) and (b) of section 127, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 125, 127(a), or paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 127(b), or for failing to comply with disclosure requirements under State law for any term or item that the Board has determined to be substantially the same in meaning under section 111(a)(2) as any of the terms or items referred to in section 127(a), or paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 127(b).''.

DODD (AND KENNEDY) AMENDMENT NO. 2754

(Ordered to lie on the table.)

Mr. DODD (for himself and Mr. KENNEDY) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. EXTENSIONS OF CREDIT TO UNDERAGE CONSUMERS.

(a) IN GENERAL.—Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended—

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following:

''(5) APPLICATIONS FROM UNDERAGE CONSUMERS.—

''(A) PROHIBITION ON ISSUANCE.—No credit card may be issued to, or open end credit plan established on behalf of, a consumer who has not attained the age of 21 unless the consumer has submitted a written application to the card issuer that meets the requirements of subparagraph (B).

''(B) APPLICATION REQUIREMENTS.—An application to open a credit card account by an individual who has not attained the age of 21 as of the date of submission of the application shall require—

''(i) the signature of the parent, legal guardian, or spouse of the consumer, or any other individual having a means to repay debts incurred by the consumer in connection with the account, indicating joint liability for debts incurred by the consumer in connection with the account before the consumer has attained the age of 21; or

''(ii) submission by the consumer of financial information indicating an independent means of repaying any obligation arising from the proposed extension of credit in connection with the account.''.

(b) REGULATORY AUTHORITY.—The Board of Governors of the Federal Reserve System may issue such rules or publish such model forms as it considers necessary to carry out section 127(c)(5) of the Truth in Lending Act, as amended by this section.

FEINSTEIN AMENDMENTS NOS. 2755–2756

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted two amendments intended to be proposed by her to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2755

At the appropriate place, insert the following:

SEC. ___. ENCOURAGING CREDITWORTHINESS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) certain lenders may sometimes offer credit to consumers indiscriminately, without taking steps to ensure that consumers are capable of repaying the resulting debt, and in a manner which may encourage certain consumers to accumulate additional debt; and

(2) resulting consumer debt may increasingly be a major contributing factor to consumer insolvency.

(b) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System (hereafter in this section referred to as the ''Board'') shall conduct a study of—

(1) consumer credit industry practices of soliciting and extending credit—

(A) indiscriminately;

(B) without taking steps to ensure that consumers are capable of repaying the resulting debt; and

(C) in a manner that encourages consumers to accumulate additional debt; and

(2) the effects of such practices on consumer debt and insolvency.

(c) REPORT AND REGULATIONS.—Not later than 12 months after the date of enactment of this Act, the Board—

(1) shall make public a report on its findings with respect to the indiscriminate solicitation and extension of credit by the credit industry;

(2) may issue regulations that would require additional disclosures to consumers; and

(3) may take any other actions, consistent with its existing statutory authority, that the Board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

AMENDMENT NO. 2756

At the appropriate place, insert the following:

SEC. ___. ENCOURAGING CREDITWORTHINESS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) certain lenders may sometimes offer credit to consumers indiscriminately, without taking steps to ensure that consumers are capable of repaying the resulting debt, and in a manner which may encourage certain consumers to accumulate additional debt; and

(2) resulting consumer debt may increasingly be a major contributing factor to consumer insolvency.

(b) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System (hereafter in this section referred to as the ''Board'') shall conduct a study of—

(1) consumer credit industry practices of soliciting and extending credit—

(A) indiscriminately;

(B) without taking steps to ensure that consumers are capable of repaying the resulting debt; and

(C) in a manner that encourages consumers to accumulate additional debt; and

(2) the effects of such practices on consumer debt and insolvency.

(c) REPORT AND REGULATIONS.—Not later than 12 months after the date of enactment of this Act, the Board—

(1) shall make public a report on its findings with respect to the indiscriminate solicitation and extension of credit by the credit industry;

(2) may issue regulations that would require additional disclosures to consumers; and

(3) may take any other actions, consistent with its existing statutory authority, that the Board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

BROWNBACK (AND HUTCHISON) AMENDMENT NO. 2757

(Ordered to lie on the table.)

Mr. BROWNBACK (for himself and Mrs. HUTCHISON) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place in the bill, add the following:

SEC. ___. HOMESTEAD EXEMPTION OPT OUT AND PERSONS 65 OR OLDER.

The provisions relating to a Federal homestead exemption shall not apply to debtors if applicable State law provides by statute that such provisions shall not apply to debtors and shall not take effect in any State before the end of the first regular session of the State legislature following the date of enactment of this Act. The federal homestead exemption shall not apply to debtors who are 65 years or older.

ROTH (AND MOYNIHAN) AMENDMENT NO. 2758

(Ordered to lie on the table.)

Mr. ROTH (for himself and Mr. MOYNIHAN) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

Beginning on page 181, strike line 20 and all that follows through page 203, line 17, and insert the following:

TITLE VII—BANKRUPTCY TAX PROVISIONS

SEC. 701. TREATMENT OF CERTAIN LIENS.

(a) TREATMENT OF CERTAIN LIENS.—Section 724 of title 11, United States Code, is amended—

(1) in subsection (b), in the matter preceding paragraph (1), by inserting ''(other

than to the extent that there is a properly perfected unavoidable tax lien arising in connection with an ad valorem tax on real or personal property of the estate)'' after ''under this title'';

(2) in subsection (b)(2), by inserting ''(except that such expenses, other than claims for wages, salaries, or commissions which arise after the filing of a petition, shall be limited to expenses incurred under chapter 7 of this title and shall not include expenses incurred under chapter 11 of this title)'' after ''507(a)(1)''; and

(3) by adding at the end the following:

''(e) Before subordinating a tax lien on real or personal property of the estate, the trustee shall—

''(1) exhaust the unencumbered assets of the estate; and

''(2) in a manner consistent with section 506(c), recover from property securing an allowed secured claim the reasonable, necessary costs and expenses of preserving or disposing of that property.

''(f) Notwithstanding the exclusion of ad valorem tax liens under this section and subject to the requirements of subsection (e), the following may be paid from property of the estate which secures a tax lien, or the proceeds of such property:

''(1) Claims for wages, salaries, and commissions that are entitled to priority under section 507(a)(4).

''(2) Claims for contributions to an employee benefit plan entitled to priority under section 507(a)(5).''.

(b) DETERMINATION OF TAX LIABILITY.—Section 505(a)(2) of title 11, United States Code, is amended—

(1) in subparagraph (A), by striking ''or'' at the end;

(2) in subparagraph (B), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(C) the amount or legality of any amount arising in connection with an ad valorem tax on real or personal property of the estate, if the applicable period for contesting or redetermining that amount under any law (other than a bankruptcy law) has expired.''.

SEC. 702. TREATMENT OF FUEL TAX CLAIMS.

Section 501 of title 11, United States Code, is amended by adding at the end the following:

''(e) A claim arising from the liability of a debtor for fuel use tax assessed consistent with the requirements of section 31705 of title 49 may be filed by the base jurisdiction designated pursuant to the International Fuel Tax Agreement and, if so filed, shall be allowed as a single claim.''.

SEC. 703. NOTICE OF REQUEST FOR A DETERMINATION OF TAXES.

Section 505(b) of title 11, United States Code, is amended—

(1) in the first sentence, by inserting ''at the address and in the manner designated in paragraph (1)'' after ''determination of such tax'';

(2) by striking ''(1) upon payment'' and inserting ''(2)(A) upon payment'';

(3) by striking ''(A) such governmental unit'' and inserting ''(i) such governmental unit'';

(4) by striking ''(B) such governmental unit'' and inserting ''(ii) such governmental unit'';

(5) by striking ''(2) upon payment'' and inserting ''(B) upon payment'';

(6) by striking ''(3) upon payment'' and inserting ''(C) upon payment'';

(7) by striking ''(b)'' and inserting ''(2)''; and

(8) by inserting before paragraph (2), as so designated, the following:

''(b)(1)(A) The clerk of each district shall maintain a listing under which a Federal, State, or local governmental unit responsible for the collection of taxes within the district may—

''(i) designate an address for service of requests under this subsection; and

''(ii) describe where further information concerning additional requirements for filing such requests may be found.

''(B) If a governmental unit referred to in subparagraph (A) does not designate an address and provide that address to the clerk under that subparagraph, any request made under this subsection may be served at the address for the filing of a tax return or protest with the appropriate taxing authority of that governmental unit.''.

SEC. 704. RATE OF INTEREST ON TAX CLAIMS.

(a) IN GENERAL.—Subchapter I of chapter 5 of title 11, United States Code, is amended by adding at the end the following:

''§ 511. Rate of interest on tax claims

''(a) If any provision of this title requires the payment of interest on a tax claim or the payment of interest to enable a creditor to receive the present value of the allowed amount of a tax claim, the rate of interest shall be the rate shall be determined under applicable nonbankruptcy law.

''(b) In the case of taxes paid under a confirmed plan under this title, the rate of interest shall be determined as of the calendar month in which the plan is confirmed.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, is amended by inserting after the item relating to section 510 the following:

''511. Rate of interest on tax claims.''.

SEC. 705. PRIORITY OF TAX CLAIMS.

Section 507(a)(8) of title 11, United States Code, is amended—

(1) in subparagraph (A)—

(A) in the matter preceding clause (i), by inserting ''for a taxable year ending on or before the date of filing of the petition'' after ''gross receipts'';

(B) in clause (i)—

(i) by striking ''for a taxable year ending on or before the date of filing of the petition''; and

(ii) by inserting before the semicolon at the end, the following: '', plus any time during which the stay of proceedings was in effect in a prior case under this title or during which collection was precluded by the existence of 1 or more confirmed plans under this title, plus 90 days''; and

(C) by striking clause (ii) and inserting the following:

''(ii) assessed within 240 days before the date of the filing of the petition, exclusive of—

''(I) any time during which an offer in compromise with respect to that tax was pending or in effect during that 240-day period, plus 30 days; and

''(II) any time during which a stay of proceedings against collections was in effect in a prior case under this title during that 240-day period; plus 90 days.''; and

(2) by adding at the end the following:

''(H) An otherwise applicable time period specified in this paragraph shall be suspended for—

''(i) any period during which a governmental unit is prohibited under applicable nonbankruptcy law from collecting a tax as a result of a request by the debtor for a hearing and an appeal of any collection action taken or proposed against the debtor; plus

''(ii) 90 days.''.

SEC. 706. PRIORITY PROPERTY TAXES INCURRED.

Section 507(a)(9)(B) of title 11, United States Code, is amended by striking ''assessed'' and inserting ''incurred''.

SEC. 707. NO DISCHARGE OF FRAUDULENT TAXES IN CHAPTER 13.

Section 1328(a)(2) of title 11, United States Code, as amended by sections 105, 213, and 314 of this Act, is amended by inserting ''(1)(B), (1)(C),'' after ''paragraph''.

SEC. 708. NO DISCHARGE OF FRAUDULENT TAXES IN CHAPTER 11.

Section 1141(d) of title 11, United States Code, is amended by adding at the end the following:

''(5) Notwithstanding paragraph (1), the confirmation of a plan does not discharge a debtor that is a corporation from any debt for a tax or customs duty with respect to which the debtor—

''(A) made a fraudulent return; or

''(B) willfully attempted in any manner to evade or defeat that tax or duty.''.

SEC. 709. STAY OF TAX PROCEEDINGS LIMITED TO PREPETITION TAXES.

Section 362(a)(8) of title 11, United States Code, is amended by inserting '', with respect to a tax liability for a taxable period ending before the order for relief under this title'' before the semicolon at the end.

SEC. 710. PERIODIC PAYMENT OF TAXES IN CHAPTER 11 CASES.

Section 1129(a)(9) of title 11, United States Code, is amended—

(1) in subparagraph (B), by striking ''and'' at the end;

(2) in subparagraph (C), by striking ''deferred cash payments, over a period not exceeding six years after the date of assessment of such claim,'' and all that follows through the end of the subparagraph, and inserting ''regular installment payments in cash—

''(i) of a total value, as of the effective date of the plan, equal to the allowed amount of such claim;

''(ii) with interest thereon calculated at the rate provided in section 6621(a)(2) of the Internal Revenue Code of 1986;

''(iii) over a period ending not later than 5 years after the date of the entry of the order for relief under section 301, 302, or 303; and

''(iv) in a manner not less favorable than the most favored nonpriority unsecured claim provided for in the plan (other than cash payments made to a class of creditors under section 1122(b)); and''; and

(3) by adding at the end the following:

''(D) with respect to a secured claim which would otherwise meet the description of an unsecured claim of a governmental unit under section 507(a)(8), but for the secured status of that claim, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same period, as prescribed in subparagraph (C).''.

SEC. 711. AVOIDANCE OF STATUTORY TAX LIENS PROHIBITED.

Section 545(2) of title 11, United States Code, is amended by striking the semicolon at the end and inserting '', except in any case in which a purchaser is a purchaser described in section 6323 of the Internal Revenue Code of 1986, or in any other similar provision of State or local law;''.

SEC. 712. PAYMENT OF TAXES IN THE CONDUCT OF BUSINESS.

(a) PAYMENT OF TAXES REQUIRED.—Section 960 of title 28, United States Code, is amended—

(1) by inserting ''(a)'' before ''Any''; and

(2) by adding at the end the following:

''(b) A tax under subsection (a) shall be paid on or before the due date of the tax under applicable nonbankruptcy law, unless—

''(1) the tax is a property tax secured by a lien against property that is abandoned within a reasonable period of time after the lien attaches by the trustee of a bankruptcy estate under section 554 of title 11; or

''(2) payment of the tax is excused under a specific provision of title 11.

''(c) In a case pending under chapter 7 of title 11, payment of a tax may be deferred until final distribution is made under section 726 of title 11, if—

''(1) the tax was not incurred by a trustee duly appointed under chapter 7 of title 11; or

''(2) before the due date of the tax, an order of the court makes a finding of probable insufficiency of funds of the estate to pay in full the administrative expenses allowed under section 503(b) of title 11 that have the same priority in distribution under section 726(b) of title 11 as the priority of that tax.''.

(b) PAYMENT OF AD VALOREM TAXES REQUIRED.—Section 503(b)(1)(B)(i) of title 11, United States Code, is amended by inserting ''whether secured or unsecured, including property taxes for which liability is in rem, in personam, or both,'' before ''except''.

(c) REQUEST FOR PAYMENT OF ADMINISTRATIVE EXPENSE TAXES ELIMINATED.—Section 503(b)(1) of title 11, United States Code, is amended—

(1) in subparagraph (B), by striking ''and'' at the end;

(2) in subparagraph (C), by adding ''and'' at the end; and

(3) by adding at the end the following:

''(D) notwithstanding the requirements of subsection (a), a governmental unit shall not be required to file a request for the payment of an expense described in subparagraph (B) or (C), as a condition of its being an allowed administrative expense;''.

(d) PAYMENT OF TAXES AND FEES AS SECURED CLAIMS.—Section 506 of title 11, United States Code, is amended—

(1) in subsection (b), by inserting ''or State statute'' after ''agreement''; and

(2) in subsection (c), by inserting '', including the payment of all ad valorem property taxes with respect to the property'' before the period at the end.

SEC. 713. TARDILY FILED PRIORITY TAX CLAIMS.

Section 726(a)(1) of title 11, United States Code, is amended by striking ''before the date on which the trustee commences distribution under this section;'' and inserting the following: ''on or before the earlier of—

''(A) the date that is 10 days after the mailing to creditors of the summary of the trustee's final report; or

''(B) the date on which the trustee commences final distribution under this section;''.

SEC. 714. INCOME TAX RETURNS PREPARED BY TAX AUTHORITIES.

Section 523(a) of title 11, United States Code, is amended—

(1) in paragraph (1)(B)—

(A) in the matter preceding clause (i), by inserting ''or equivalent report or notice,'' after ''a return,'';

(B) in clause (i)—

(i) by inserting ''or given'' after ''filed''; and

(ii) by striking ''or'' at the end; and

(C) in clause (ii)—

(i) by inserting ''or given'' after ''filed''; and

(ii) by inserting '', report, or notice'' after ''return''; and

(2) by adding at the end the following flush sentences:

''For purposes of this subsection, the term 'return' means a return that satisfies the requirements of applicable nonbankruptcy law (including applicable filing requirements). Such term includes a return prepared pursuant to section 6020(a) of the Internal Revenue Code of 1986, or similar State or local law, or a written stipulation to a judgment or a final order entered by a nonbankruptcy tribunal, but does not include a return made pursuant to section 6020(b) of the Internal Revenue Code of 1986, or a similar State or local law.''.

SEC. 715. DISCHARGE OF THE ESTATE'S LIABILITY FOR UNPAID TAXES.

The second sentence of section 505(b) of title 11, United States Code, as amended by section 703 of this Act, is amended by inserting ''the estate,'' after ''misrepresentation,''.

SEC. 716. REQUIREMENT TO FILE TAX RETURNS TO CONFIRM CHAPTER 13 PLANS.

(a) FILING OF PREPETITION TAX RETURNS REQUIRED FOR PLAN CONFIRMATION.—Section 1325(a) of title 11, United States Code, as amended by section 213 of this Act, is amended—

(1) in paragraph (6), by striking ''and'' at the end;

(2) in paragraph (7), by striking the period at the end and inserting ''; and''; and

(3) by inserting after paragraph (7) the following:

''(8) if the debtor has filed all applicable Federal, State, and local tax returns as required by section 1308.''.

(b) ADDITIONAL TIME PERMITTED FOR FILING TAX RETURNS.—

(1) IN GENERAL.—Chapter 13 of title 11, United States Code, is amended by adding at the end the following:

''§ 1308. Filing of prepetition tax returns

''(a) Not later than the day before the date on which the meeting of the creditors is first scheduled to be held under section 341(a), the debtor shall file with appropriate tax authorities all tax returns for all taxable periods ending during the 6-year period ending on the date of the filing of the petition.

''(b)(1) Subject to paragraph (2), if the tax returns required by subsection (a) have not been filed by the date on which the meeting of creditors is first scheduled to be held under section 341(a), the trustee may hold open that meeting for a reasonable period of time to allow the debtor an additional period of time to file any unfiled returns, but such additional period of time shall not extend beyond—

''(A) for any return that is past due as of the date of the filing of the petition, the date that is 120 days after the date of that meeting; or

''(B) for any return that is not past due as of the date of the filing of the petition, the later of—

''(i) the date that is 120 days after the date of that meeting; or

''(ii) the date on which the return is due under the last automatic extension of time for filing that return to which the debtor is entitled, and for which request is timely made, in accordance with applicable nonbankruptcy law.

''(2) Upon notice and hearing, and order entered before the tolling of any applicable filing period determined under this subsection, if the debtor demonstrates by clear and convincing evidence that the failure to file a return as required under this subsection is attributable to circumstances beyond the control of the debtor, the court may extend the filing period established by the trustee under this subsection for—

''(A) a period of not more than 30 days for returns described in paragraph (1); and

''(B) a period not to extend after the applicable extended due date for a return described in paragraph (2).

''(c) For purposes of this section, the term 'return' includes a return prepared pursuant to section 6020 (a) or (b) of the Internal Revenue Code of 1986, or a similar State or local law, or a written stipulation to a judgment or a final order entered by a nonbankruptcy tribunal.''.

(2) CONFORMING AMENDMENT.—The table of sections for chapter 13 of title 11, United States Code, is amended by inserting after the item relating to section 1307 the following:

''1308. Filing of prepetition tax returns.''.

(c) DISMISSAL OR CONVERSION ON FAILURE TO COMPLY.—Section 1307 of title 11, United States Code, is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (d), the following:

''(e) Upon the failure of the debtor to file a tax return under section 1308, on request of a party in interest or the United States trustee and after notice and a hearing, the court shall dismiss a case or convert a case under this chapter to a case under chapter 7 of this title, whichever is in the best interest of the creditors and the estate.''.

(d) TIMELY FILED CLAIMS.—Section 502(b)(9) of title 11, United States Code, is amended by inserting before the period at the end the following '', and except that in a case under chapter 13, a claim of a governmental unit for a tax with respect to a return filed under section 1308 shall be timely if the claim is filed on or before the date that is 60 days after the date on which such return was filed as required''.

(e) RULES FOR OBJECTIONS TO CLAIMS AND TO CONFIRMATION.—It is the sense of Congress that the Advisory Committee on Bankruptcy Rules of the Judicial Conference should, as soon as practicable after the date of enactment of this Act, propose for adoption amended Federal Rules of Bankruptcy Procedure which provide that—

(1) notwithstanding the provisions of Rule 3015(f), in cases under chapter 13 of title 11, United States Code, an objection to the confirmation of a plan filed by a governmental unit on or before the date that is 60 days after the date on which the debtor files all tax returns required under sections 1308 and 1325(a)(7) of title 11, United States Code; and

(2) in addition to the provisions of Rule 3007, in a case under chapter 13 of title 11, United States Code, no objection to a tax with respect to which a return is required to be filed under section 1308 of title 11, United States Code, shall be filed until such return has been filed as required.

SEC. 717. STANDARDS FOR TAX DISCLOSURE.

Section 1125(a)(1) of title 11, United States Code, is amended—

(1) by inserting ''including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case,'' after ''records''; and

(2) by striking ''a hypothetical reasonable investor typical of holders of claims or interests'' and inserting ''such a hypothetical investor''.

SEC. 718. SETOFF OF TAX REFUNDS.

Section 362(b) of title 11, United States Code, as amended by section 402 of this Act, is amended—

(1) in paragraph (25), by striking ''or'' at the end;

(2) in paragraph (26), by striking the period at the end and inserting ''; or''; and

(3) by inserting after paragraph (26) the following:

''(27) under subsection (a), of the setoff under applicable nonbankruptcy law of an income tax refund, by a governmental unit, with respect to a taxable period that ended before the order for relief against an income tax liability for a taxable period that also ended before the order for relief, except that in any case in which the setoff of an income tax refund is not permitted under applicable nonbankruptcy law because of a pending action to determine the amount or legality of a tax liability, the governmental unit may hold the refund pending the resolution of the

action, unless the court, upon motion of the trustee and after notice and hearing, grants the taxing authority adequate protection (within the meaning of section 361) for the secured claim of that authority in the setoff under section 506(a).''.

SEC. 719. SPECIAL PROVISIONS RELATED TO THE TREATMENT OF STATE AND LOCAL TAXES.

(a) IN GENERAL.—Section 346 of title 11, United States Code, is amended to read as follows:

''SEC. 346. SPECIAL PROVISIONS RELATED TO THE TREATMENT OF STATE AND LOCAL TAXES.

''(a) Whenever the Internal Revenue Code of 1986 provides that a separate taxable estate or entity is created in a case concerning a debtor under this title, and the income, gain, loss, deductions, and credits of such estate shall be taxed to or claimed by the estate, a separate taxable estate is also created for purposes of any State and local law imposing a tax on or measured by income and such income, gain, loss, deductions, and credits shall be taxed to or claimed by the estate and may not be taxed to or claimed by the debtor. The preceding sentence shall not apply if the case is dismissed. The trustee shall make tax returns of income required under any such State or local law.

''(b) Whenever the Internal Revenue Code of 1986 provides that no separate taxable estate shall be created in a case concerning a debtor under this title, and the income, gain, loss, deductions, and credits of an estate shall be taxed to or claimed by the debtor, such income, gain, loss, deductions, and credits shall be taxed to or claimed by the debtor under a State or local law imposing a tax on or measured by income and may not be taxed to or claimed by the estate. The trustee shall make such tax returns of income of corporations and of partnerships as are required under any State or local law, but with respect to partnerships, shall make said returns only to the extent such returns are also required to be made under such Code. The estate shall be liable for any tax imposed on such corporation or partnership, but not for any tax imposed on partners or members.

''(c) With respect to a partnership or any entity treated as a partnership under a State or local law imposing a tax on or measured by income that is a debtor in a case under this title, any gain or loss resulting from a distribution of property from such partnership, or any distributive share of any income, gain, loss, deduction, or credit of a partner or member that is distributed, or considered distributed, from such partnership, after the commencement of the case, is gain, loss, income, deduction, or credit, as the case may be, of the partner or member, and if such partner or member is a debtor in a case under this title, shall be subject to tax in accordance with subsection (a) or (b).

''(d) For purposes of any State or local law imposing a tax on or measured by income, the taxable period of a debtor in a case under this title shall terminate only if and to the extent that the taxable period of such debtor terminates under the Internal Revenue Code of 1986.

''(e) The estate in any case described in subsection (a) shall use the same accounting method as the debtor used immediately before the commencement of the case, if such method of accounting complies with applicable nonbankruptcy tax law.

''(f) For purposes of any State or local law imposing a tax on or measured by income, a transfer of property from the debtor to the estate or from the estate to the debtor shall not be treated as a disposition for purposes of any provision assigning tax consequences to a disposition, except to the extent that such transfer is treated as a disposition under the Internal Revenue Code of 1986.

''(g) Whenever a tax is imposed pursuant to a State or local law imposing a tax on or measured by income pursuant to subsection (a) or (b), such tax shall be imposed at rates generally applicable to the same types of entities under such State or local law.

''(h) The trustee shall withhold from any payment of claims for wages, salaries, commissions, dividends, interest, or other payments, or collect, any amount required to be withheld or collected under applicable State or local tax law, and shall pay such withheld or collected amount to the appropriate governmental unit at the time and in the manner required by such tax law, and with the same priority as the claim from which such amount was withheld or collected was paid.

''(i)(1) To the extent that any State or local law imposing a tax on or measured by income provides for the carryover of any tax attribute from one taxable period to a subsequent taxable period, the estate shall succeed to such tax attribute in any case in which such estate is subject to tax under subsection (a).

''(2) After such a case is closed or dismissed, the debtor shall succeed to any tax attribute to which the estate succeeded under paragraph (1) to the extent consistent with the Internal Revenue Code of 1986.

''(3) The estate may carry back any loss or tax attribute to a taxable period of the debtor that ended before the order for relief under this title to the extent that—

''(A) applicable State or local tax law provides for a carryback in the case of the debtor; and

''(B) the same or a similar tax attribute may be carried back by the estate to such a taxable period of the debtor under the Internal Revenue Code of 1986.

''(j)(1) For purposes of any State or local law imposing a tax on or measured by income, income is not realized by the estate, the debtor, or a successor to the debtor by reason of discharge of indebtedness in a case under this title, except to the extent, if any, that such income is subject to tax under the Internal Revenue Code of 1986.

''(2) Whenever the Internal Revenue Code of 1986 provides that the amount excluded from gross income in respect of the discharge of indebtedness in a case under this title shall be applied to reduce the tax attributes of the debtor or the estate, a similar reduction shall be made under any State or local law imposing a tax on or measured by income to the extent such State or local law recognizes such attributes. Such State or local law may also provide for the reduction of other attributes to the extent that the full amount of income from the discharge of indebtedness has not been applied.

''(k)(1) Except as provided in this section and section 505, the time and manner of filing tax returns and the items of income, gain, loss, deduction, and credit of any taxpayer shall be determined under applicable nonbankruptcy law.

''(2) For Federal tax purposes, the provisions of this section are subject to the Internal Revenue Code of 1986 and other applicable Federal nonbankruptcy law.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 728 of title 11, United States Code, is repealed.

(2) Section 1146 of title 11, United States Code, is amended by striking subsections (a) and (b) and by redesignating subsections (c) and (d) as subsections (a) and (b), respectively.

(3) Section 1231 of title 11, United States Code, is amended by striking subsections (a) and (b) and by redesignating subsections (c) and (d) as subsections (a) and (b), respectively.

SEC. 720. DISMISSAL FOR FAILURE TO TIMELY FILE TAX RETURNS.

Section 521 of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

''(k)(1) Notwithstanding any other provision of this title, if the debtor fails to file a tax return that becomes due after the commencement of the case or to properly obtain an extension of the due date for filing such return, the taxing authority may request that the court enter an order converting or dismissing the case.

''(2) If the debtor does not file the required return or obtain the extension referred to in paragraph (1) within 90 days after a request is filed by the taxing authority under that paragraph, the court shall convert or dismiss the case, whichever is in the best interests of creditors and the estate.''.

On page 268, line 13, strike ''1231(d)'' and insert ''1231(b)''.

On page 280, strike lines 16 through 19.

SCHUMER (AND DURBIN) AMENDMENTS NOS. 2759–2760

(Ordered to lie on the table.)

Mr. SCHUMER (for himself and Mr. DURBIN) submitted two amendments intended to be proposed by them to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2759

On page 7, line 15, strike ''(ii) The debtor's'' and insert the following:

''(ii)(I) Subject to subclause (II), the debtor's''.

On page 7, line 21, strike the period and insert the following: '', until such time as the Director of the Executive Office for the United States Trustees issues standards under section 586(f) of title 28, at which time the debtor's monthly expenses shall be the applicable monthly expenses under standards issued by the Director under section 586(f) of title 28, and the applicable monthly (excluding payments for debts) expenses under standards (excluding the national standards) issued by the Internal Revenue Service for the area in which the debtor resides, as in effect on the date of the entry of the order for relief, for the debtor, the dependents of the debtor, and the spouse of the debtor in a joint case, if the spouse is not otherwise a dependent.

''(II) In the case of a debtor who owns the debtor's primary residence, the debtor's monthly expenses shall include reasonably necessary costs of maintaining such primary residence not included in subclause (I) of this clause or clause (iii), including the reasonably necessary costs of utilities, maintenance and repair, homeowners insurance, and property taxes, until such time as the Director of the Executive Office for the United States Trustees issues standards under section 586(f) of title 28.

On page 14, after the matter between lines 18 and 19, insert the following:

(d) STANDARDS FOR ASSESSING CERTAIN EXPENSES.—Section 586 of title 28, United States Code, is amended by adding at the end the following:

''(f)(1) Not later than 1 year after the date of enactment of this subsection, the Director of the Executive Office for the United States Trustees, in consultation with the Secretary of the Treasury, shall issue standards, specific and appropriate to bankruptcy, for assessing the monthly expenses of the debtor under section 707(b)(2) of title 11, for—

''(A) the categories of expenses included under the national standards issued by the Internal Revenue Service; and

''(B) the categories of expenses related to maintaining a primary residence not included in clause (ii)(I) or (iii) of section

707(b)(2)(A) of title 11, including expenses for utilities, maintenance and repair, homeowners insurance, and property taxes, for a debtor who owns the debtor's primary residence.

''(2) In issuing standards under paragraph (1), the Director shall—

''(A) establish set expense amounts at levels that afford debtors adequate and not excessive means to provide for basic living expenses for the categories of expenses described in paragraph (1); and

''(B) ensure that such set expense amounts account for, at a minimum, regional variations in the cost of living and for variations in family size.''.

On page 169, line 11, strike ''(f)'' and insert ''(g)''.

On page 169, line 13, strike ''(f)'' and insert ''(g)''.

On page 172, line 7, strike ''(f)'' and insert ''(g)''.

On page 172, line 13, strike ''(f)'' and insert ''(g)''.

AMENDMENT NO. 2760

On page 7, line 15, strike ''(ii) The debtor's'' and insert the following:

''(ii)(I) Subject to subclause (II), the debtor's''.

On page 7, line 21, strike the period and insert the following: '', until such time as the Director of the Executive Office for the United States Trustees issues standards under section 586(f) of title 28, at which time the debtor's monthly expenses shall be the applicable monthly expenses under standards issued by the Director under section 586(f) of title 28, and the applicable monthly (excluding payments for debts) expenses under standards (excluding the national standards) issued by the Internal Revenue Service for the area in which the debtor resides, as in effect on the date of the entry of the order for relief, for the debtor, the dependents of the debtor, and the spouse of the debtor in a joint case, if the spouse is not otherwise a dependent.

''(II) In the case of a debtor who owns the debtor's primary residence, the debtor's monthly expenses shall include reasonably necessary costs of maintaining such primary residence not included in subclause (I) of this clause or clause (iii), including the reasonably necessary costs of utilities, maintenance and repair, homeowners insurance, and property taxes, until such time as the Director of the Executive Office for the United States Trustees issues standards under section 586(f) of title 28.

On page 14, after the matter between lines 18 and 19, insert the following:

(d) STANDARDS FOR ASSESSING CERTAIN EXPENSES.—Section 586 of title 28, United States Code, is amended by adding at the end the following:

''(f)(1) Not later than 1 year after the date of enactment of this subsection, the Director of the Executive Office for the United States Trustees, in consultation with the Secretary of the Treasury, shall issue standards, specific and appropriate to bankruptcy, for assessing the monthly expenses of the debtor under section 707(b)(2) of title 11, for—

''(A) the categories of expenses included under the national standards issued by the Internal Revenue Service; and

''(B) the categories of expenses related to maintaining a primary residence not included in clause (ii)(I) or (iii) of section 707(b)(2)(A) of title 11, including expenses for utilities, maintenance and repair, homeowners insurance, and property taxes, for a debtor who owns the debtor's primary residence.

''(2) In issuing standards under paragraph (1), the Director shall—

''(A) establish set expense amounts at levels that afford debtors adequate and not excessive means to provide for basic living expenses for the categories of expenses described in paragraph (1); and

''(B) ensure that such set expense amounts account for, at a minimum, regional variations in the cost of living and for variations in family size.''.

On page 169, line 11, strike ''(f)'' and insert ''(g)''.

On page 169, line 13, strike ''(f)'' and insert ''(g)''.

On page 172, line 7, strike ''(f)'' and insert ''(g)''.

On page 172, line 13, strike ''(f)'' and insert ''(g)''.

SCHUMER AMENDMENT NO. 2761

(Ordered to lie on the table.)

Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following new section:

SEC. . TRUTH IN LENDING DISCLOSURES.

Section 122(c) of the Truth in Lending Act (15 U.S.C. 1632(c)) is amended—

(1) in paragraph (1), by striking the current text and inserting the following:

''(1) IN GENERAL.—The information described in paragraphs (1), (3)(B)(i)(I), (4)(A), and (4)(C)(i)(I) of section 1637(c) of this title and the long-term annual percentage rate for purchases shall—

''(A) subject to paragraphs (2) and (3) of this subsection, be disclosed in the form and manner which the Board shall prescribe by regulations; and

''(B) be placed in a conspicuous and prominent location on or with any written application, solicitation, or other document or paper with respect to which such disclosure is required.''

For purposes of this subsection, the term ''long-term annual percentage rate for purchases'' means the highest nondefault annual percentage rate for purchases applicable to the credit card account offered, solicited or advertised, calculated at the time of mailing (in the case of an application or solicitation described in paragraph (1) of section 1637(c) of this title) or printing (in the case of an application or solicitation described in paragraphs (3)(B) of section 1637(c) of this title), except that in the case of a credit card account to which an introductory or temporary discounted rate applies, the term ''long-term annual percentage rate for purchases'' means the highest nondefault annual percentage rate for purchases applicable to the credit card account to which an introductory or temporary discounted rate applies, the term ''long-term annual percentage rate for purchases'' means the highest nondefeault annual percentage rate for purchases applicable to the credit card account offered, solicited or advertised that will apply after the expiration of the introductory or temporary discounted rate, calculated at the time of mailing (in the case of an application or solicitation described in paragraph (1) of section 1637(c) of this title) or printing (in the case of an application or solicitation described in paragraphs (3)(B) of section 1637(c) of this title).''

(2) in paragraph (2), by striking the current text and inserting the following:

''(2) TABULAR FORMATS FOR CREDIT CARD DISCLOSURES.—

''(A) The long-term annual percentage rate for purchases shall be disclosed on or with a written application or solicitation described in paragraphs (1) or (3)(B) of section 1637(c) of this title in 24-point or larger type and in the form of a table which—

''(i) shall contain a clear and concise heading set forth in the same type size as the long-term annual percentage rate for purchases clearly and concisely;

''(ii) shall state the long-term annual percentage rate for purchases clearly and concisely;

''(iii) where the long-term annual percentage rate for purchases is based on a variable rate, shall use the term 'currently' to describe the long-term annual percentage rate for purchases;

''(iv) where the long-term annual percentage rate for purchases is not the only annual percentage rate applicable to the credit card account offered, solicited or advertised, shall include an asterisk placed immediately following the long-term annual percentage rate for purchases; and

''(v) shall contain no other item of information.

''(B) The information described in paragraphs (1)(A)(ii), (1)(A)(iii), (1)(A)(iv), (1)(B) and (3)(B)(i)(I) of section 1637(c) of this title shall be disclosed on or with a written application or solicitation described in paragraph (1) of section 1637(c) of this title or a written application or solicitation as large as or larger than 8.5 inches in width and 11 inches in length described in paragraph (3)(B) of section 1637(c) of this title in 12-point type and in the form of a table which—

''(i) shall appear separately from and immediately beneath the table described in subparagraph (A) of this paragraph;

''(ii) shall contain clear and concise headings set forth in 12-point type;

''(iii) shall provide a clear and concise form for stating each item of information required to be disclosed under each such heading; and

''(iv) may list the items required to be included in this table in a different order than the order set forth in paragraph (1) of section 1637 of this title, subject to the approval of the Board.''

''(C) The information described in paragraphs (1)(A)(ii), 1(A)(iii), (1)(A)(iv), 1(B) and (3)(B)(i)(I) of section 1637(c) of this title shall be disclosed on or with a written application or solicitation smaller than 8.5 inches in width and 11 inches in length described in paragraph (3)(B) of section 1637(c) of this title in 12-point type and shall—

''(i) be set forth separately from and immediately beneath the table described in subparagraph (A) of this paragraph; and

''(ii) not be disclosed in the form of a table.

''(D) Notwithstanding the inclusion of any of the information described in paragraph (1)(A)(i) of section 1637(c) of this title in the table described in subparagraph (A) of this paragraph, the information described in paragraph (1)(A)(i) of section 1637(c) of this title shall be disclosed on or with a written application or solicitation described in paragraphs (1) or (3)(B) of section 1637(c) of this title and shall—

''(i) be set forth in 12-point boldface type;

''(ii) be set forth separately from and immediately beneath the table described in subparagraph (B) of this paragraph or the information described in subparagraph (C) of this paragraph, whichever is applicable;

''(iii) not be disclosed in the form of a table; and

''(iv) where the long-term annual percentage rate for purchase is not the only annual percentage rate applicable to the credit account offered, solicited or advertised, be preceded by an asterisk set forth in 12-point boldface type.''

(3) by adding at the end the following:

''(3) TABULAR FORMAT FOR CHARGE CARD DISCLOSURES.—

''(A) In the regulations prescribed under paragraph (1)(A) of this subsection, the Board shall require that the disclosure of the information described in paragraphs (4)(A) and (4)(C)(i)(I) of section 1637(c) of this title shall, to the extent the Board determines to

be practicable and appropriate, be in the form of a table which—

''(i) contains clear and concise headings for each item of such information; and

''(ii) provides a clear and concise form for stating each item of information required to be disclosed under each such heading.''

''(B) In prescribing the form of the table under subparagraph (A) of this paragraph, the Board may—

''(i) list the items required to be included in the table in a different order than the order set forth in paragraph (4)(A) of section 1637(c) of this title; and

''(ii) employ terminology which is different than the terminology which is employed in section 1637(c) of this title if such terminology conveys substantially the same meaning.''

SCHUMER (AND DURBIN) AMENDMENT NO. 2762

(Ordered to lie on the table.)

Mr. SCHUMER (for himself and Mr. DUNKIN) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

On page 9, line 12, strike ''As part'' and insert ''Except as provided under clause (ii), as part''.

On page 9, insert between lines 17 and 18 the following:

''(ii) A debtor against whom a judge, United States trustee, panel trustee, bankruptcy administrator, or other party in interest may not, for the reason specified in subparagraph (D), bring a motion alleging abuse of this chapter based upon the presumption established by this paragraph, shall not be required to include calculations that determine whether a presumption arises under this paragraph as part of the schedule of current income and expenditures required under section 521.

On page 9, line 18, strike ''(ii)'' and insert ''(iii)''.

On page 9, insert between lines 21 and 22 the following:

''(D)(i) No judge, United States trustee, panel trustee, bankruptcy administrator, or other party in interest shall bring a motion alleging abuse of this chapter based upon the presumption established by this paragraph, if the debtor and the debtor's spouse combined, as of the date of the order for relief, have current monthly total income equal to or less than the national or applicable State median household monthly income calculated (subject to clause (ii)) on a semiannual basis for a household of equal size.

''(ii) For a household of more than 4 individuals, the national or applicable State median household monthly income shall be that of a household of 4 individuals, plus $583 for each additional member of that household.

On page 11, line 9, strike ''(A)'' and insert ''(A)(i) except as provided under clause (ii),''.

On page 11, insert between lines 14 and 15 the following:

''(ii) with respect to an individual debtor under this chapter against whom a judge, United States trustee, panel trustee, bankruptcy administrator, or other party in interest may not, for the reason specified in section 707(b)(2)(D), bring a motion alleging abuse of this chapter based upon the presumption established by section 707(b)(2), the United States trustee or bankruptcy administrator shall not be required to file with the court a statement as to whether the debtor's case would be presumed to be an abuse under section 707(b)(2); and

On page 11, line 19, strike ''receiving'' and insert ''filing''.

On page 11, line 20, strike ''filed''.

On page 14, strike lines 8 through 14 and insert the following:

''(5)(A) Only the judge, United States trustee, bankruptcy administrator, or panel trustee may bring a motion under section 707(b), if the current monthly income of the debtor and the debtor's spouse combined, as of the date of the order for relief, when multiplied by 12, is equal to or less than—

''(i) the national or applicable State median household income last reported by the Bureau of the Census for a household of equal size, whichever is greater; or

''(ii) in the case of a household of 1 person, the national or applicable State median household income last reported by the Bureau of the Census for 1 earner, whichever is greater.

''(B) Notwithstanding subparagraph (A), the national or applicable State median household income for a household of more than 4 individuals shall be the national or applicable State median household income last reported by the Bureau of the Census for a household of 4 individuals, whichever is greater, plus $6,996 for each additional member of that household.''.

SCHUMER (AND OTHERS) AMENDMENT NO. 2763

(Ordered to lie on the table.)

Mr. SCHUMER (for himself, Mrs. FEINSTEIN, Mr. LEAHY, Mrs. MURRAY, Mr. LAUTENBERG, and Mr. DURBIN) submitted an amendment to be proposed by them to the bill, S. 625, supra; as follows:

On page 124, between lines 14 and 15, insert the following:

SEC. 322. NONDISCHARGEABILITY OF DEBTS INCURRED THROUGH THE COMMISSION OF VIOLENCE AT CLINICS.

Section 523(a) of title 11, United States Code, as amended by section 224 of this Act, is amended—

(1) in paragraph (18), by striking ''or'' at the end;

(2) in paragraph (19)(B), by striking the period and inserting ''; or''; and

(3) by adding at the end the following:

''(20) that results from any judgment, order, consent order, or decree entered in any Federal or State court, or contained in any settlement agreement entered into by the debtor, including any damages, fine, penalty, citation, or attorney fee or cost owed by the debtor, arising from—

''(A) an actual or potential action under section 248 of title 18;

''(B) an actual or potential action under any Federal, State, or local law, the purpose of which is to protect—

''(i) access to a health care facility, including a facility providing reproductive health services, as defined in section 248(e) of title 18 (referred to in this paragraph as a 'health care facility'); or

''(ii) the provision of health services, including reproductive health services (referred to in this paragraph as 'health services');

''(C) an actual or potential action alleging the violation of any Federal, State, or local statutory or common law, including chapter 96 of title 18 and the Federal civil rights laws (including sections 1977 through 1980 of the Revised Statutes) that results from the debtor's actual, attempted, or alleged—

''(i) harassment of, intimidation of, interference with, obstruction of, injury to, threat to, or violence against any person—

''(I) because that person provides or has provided health services;

''(II) because that person is or has been obtaining health services; or

''(III) to deter that person, any other person, or a class of persons from obtaining or providing health services; or

''(ii) damage or destruction of property of a health care facility; or

''(D) an actual or alleged violation of a court order or injunction that protects access to a health care facility or the provision of health services.''.

SCHUMER AMENDMENTS NOS. 2764–2767

(Ordered to lie on the table.)

Mr. SCHUMER submitted four amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2764

On page 7, line 9, after ''reduced by'' insert ''estimated administrative expenses and reasonable attorneys' fees, and''.

On page 7, strike line 24 through page 8, line 3, and insert the following:

''(I) the sum of—

''(aa) the total of all amounts scheduled as contractually due to secured creditors in each month of the 60 months following the date of the petition; and

''(bb) any additional payments to secured creditors necessary for the debtor, in filing a plan under chapter 13 of this title, to maintain possession of the debtor's property that serves as collateral for secured debts; divided by

''(II) 60.

On page 9, line 6, after ''reduced by'' insert ''estimated administrative expenses and reasonable attorneys' fees, and''.

On page 10, strike lines 12 and 13 and insert the following:

(1) in section 101—

(A) by inserting after paragraph (10) the following:

On page 11, insert between lines 2 and 3 the following:

(B) by inserting after paragraph (17) the following:

''(17A) 'estimated administrative expenses and reasonable attorneys' fees' means 10 percent of projected payments under a chapter 13 plan;'' and

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AMENDMENT NO. 2765

On page 7, line 15, strike ''(ii)'' and insert ''(ii)(I)''.

On page 7, between lines 21 and 22, insert the following:

''(II) In addition, the debtor's monthly expenses shall include the reasonably necessary monthly expenses incurred by a debtor who is eligible to receive or is receiving payments under State unemployment insurance laws, the Federal dislocated workers assistance programs under title III of the Job Training Partnership Act (29 U.S.C. 1501 et seq.) or the successor Workforce Investment Act of 1998 (20 U.S.C. 9201 et seq.), the trade adjustment assistance programs provided for under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.), or State assistance programs for displaced or dislocated workers and incurred for the purpose of obtaining and maintaining employment.

AMENDMENT NO. 2766

At the appropriate place, insert the following:

SEC. ___. DISCLOSURES RELATED TO ''INTRODUCTORY RATES''.

Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

''(6) ADDITIONAL NOTICE CONCERNING 'INTRODUCTORY RATES'.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an application or solicitation to open a credit card account that offers a temporary annual percentage rate of interest, either for which a disclosure is required

under paragraph (1), or which contains the items described in paragraph (1) and is made available to the public or contained in catalogs, magazines, or other publications, shall, along with all promotional materials accompanying such application or solicitation—

''(i) use the term 'introductory' in immediate proximity to each listing of the temporary annual percentage rate applicable to such account, which term shall appear in the same type size and type style used to state the temporary annual percentage rate;

''(ii) if the annual percentage rate of interest that will apply after the end of the temporary rate period will be a fixed rate, state the following in a prominent location immediately proximate to the most prominent listing of the temporary annual percentage rate (other than a listing of the temporary annual percentage rate in the tabular format described in section 122(c)) on a document and in the same type size and type style used to state the proximate temporary annual percentage rate: the date on which the introductory period will end and the annual percentage rate that will apply after the end of the introductory period; and

''(iii) if the annual percentage rate that will apply after the end of the temporary rate period will vary in accordance with an index, state the following in a prominent location immediately proximate to the most prominent listing of the temporary annual percentage rate (other than a listing in the tabular format prescribed by section 122(c)) on a document and in the same type size and type style used to state the proximate temporary annual percentage rate: the date on which the introductory period will end and the annual percentage rate that would apply if the introductory period ended on the date on which the application or solicitation was printed.

''(B) EXCEPTION.—Clauses (ii) and (iii) of subparagraph (A) do not apply with respect to any listing of a temporary annual percentage rate on an envelope or other enclosure in which an application or solicitation to open a credit card account is mailed.

''(C) CONDITIONS FOR INTRODUCTORY RATES.—An application or solicitation to open a credit card account for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate of interest shall, if that rate of interest is revocable under any circumstance or upon any event, clearly and conspicuously disclose, in a prominent manner on or with such application or solicitation—

''(i) any and all circumstances or events that may result in the revocation of the temporary annual percentage rate; and

''(ii) if the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate—

''(I) will be a fixed rate, the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate; or

''(II) will vary in accordance with an index, the annual percentage rate that would apply if the temporary annual percentage rate was revoked on the date on which the application or solicitation was printed.

''(D) DEFINITIONS.—In this paragraph—

''(i) the terms 'temporary annual percentage rate of interest' and 'temporary annual percentage rate' mean any rate of interest applicable to a credit card account for an introductory period of less than 1 year, if that rate is less than the annual percentage rate of interest that will apply if the introductory period ended on the date on which the application was printed; and

''(ii) the term 'introductory period' means the maximum time period for which the temporary annual percentage rate may be applicable.

''(E) RELATION TO OTHER DISCLOSURE REQUIREMENTS.—Nothing in this paragraph may be construed to supersede any disclosure required by paragraph (1) or any other provision of this subsection.''.

AMENDMENT NO. 2767

At the appropriate place, insert the following new section:

SEC. . TRUTH IN LENDING DISCLOSURES.

Section 122(c) of the Truth in Lending Act (15 U.S.C. 1632(c)) is amended—

(1) in paragraph (1), by striking the current text and inserting the following:

''(1) IN GENERAL.—The information described in paragraphs (1), (3)(B)(i)(I), (4)(A), and (4)(C)(i)(I) of section 1637(c) of this title and the long-term annual percentage rate for purchases shall—

''(A) subject to paragraph (2) and (3) of this subsection, be disclosed in the form and manner which the Board shall prescribe by regulations; and

''(B) be placed in a conspicuous and prominent location on or with any written application, solicitation, or other document or paper with respect to which such disclosure is required.''

For purposes of this subsection, the term ''long-term annual percentage rate for purchases'' means the highest nondefault annual percentage rate for purchases applicable to the credit card account offered, solicited or advertised, calculated at the time of mailing (in the case of an application or solicitation described in paragraph (1) of section 1637(c) of this title) or printing (in the case of an application or solicitation described in paragraphs (3)(B) of section 1637(c) of this title), except that in the case of a credit card account to which an introductory or temporary discounted rate applies, the term ''long-term annual percentage rate for purchases'' means the highest nondefault annual percentage rate for purchases applicable to the credit card account offered, solicited or advertised that will apply after the expiration of the introductory or temporary discounted rate, calculated at the time of mailing (in the case of an application or solicitation described in paragraph (1) of section 1637(c) of this title) or printing (in the case of an application or solicitation described in paragraphs (3)(B) of section 1637(c) of this title).''

(2) in paragraph (2), by striking the current text and inserting the following:

''(2) TABULAR FORMATS FOR CREDIT CARD DISCLOSURES.—

''(A) The long-term annual percentage rate for purchases shall be disclosed on or with a written application or solitiation described in paragraphs (1) or (3)(B) of section 1637(c) of title in 24-point or larger type and in the form of a table which—

''(i) shall contain a clear and concise heading set forth in the same type size as the long-term annual percentage rate for purchases;

''(i) shall state the long-term annual percentage rate for purchases clearly and concisely;

''(iii) where the long-term annual percentage rate for purchases is based on a variable rate, shall use the term 'currently' to describe the long-term annual percentage rate for purchases;

''(iv) where the long-term annual percentage rate for purchases is not the only annual percentage rate applicable to the credit card account offered, solicited or advertised, shall include an asterisk placed immediately following the long-term annual percentage rate for purchases; and

''(v) shall contain no other item of information.

''(B) The information described in paragraphs (1)(A)(ii), 1(A)(iii), (1)(A)(iv), 1(B) and (3)(B)(i)(I) of section 1637(c) of this title shall be disclosed on or with a written application or solicitation described in paragraphs (1) or (3)(B) of section 1637(c) of this title in 12-point type and in the form of a table which—

''(i) shall appear separately from and immediately beneath the table described in subparagraph (A) of this paragraph;

''(ii) shall contain clear and concise headings set forth in 12-point type;

''(iii) shall provide a clear and concise form for stating each item of information required to be disclosed under each such heading; and

''(iv) may list the items required to be included in this table in a different order than the order set forth in paragraph (1) of section 1637 of this title, subject to the approval of the Board.''

''(C) Notwithstanding the inclusion of any of the information described in paragraph (1)(A)(i) of section 1637(c) of this title in the table described in subparagraph (A) of this paragraph, the information described in paragraph (1)(A)(i) of section 1637(c) of this title shall be disclosed on or with a written application or solicitation described in paragraphs (1) or (3)(B) of section 1637(c) of this title and shall—

''(i) be set forth in 12-point boldface type;

''(ii) be set forth separately from and immediately beneath the table described in subparagraph (B) of this paragraph;

''(iii) not be disclosed in the form of a table; and

''(iv) where the long-term annual percentage rate for purchases is not the only annual percentage rate applicable to the credit card account offered, solicited or advertised, be preceded by an asterisk set forth in 12-point boldface type.''

(3) by adding at the end the following:

''(3) TABULAR FORMAT FOR CHARGE CARD DISCLOSURES.—

''(A) In the regulations prescribed under paragraph (1)(A) of this subsection, the Board shall require that the disclosure of the information described in paragraphs (4)(A) and (4)(C)(i)(I) of section 1637(c) of this title shall, to the extent the Board determines to be practicable and appropriate, be in the form of a table which—

''(i) contains clear and concise headings for each item of such information; and

''(ii) provides a clear and concise form for stating each item of information required to be disclosed under each such heading.''

''(B) In prescribing the form of the table under subparagraph (A) of this paragraph, the Board may—

''(i) list the items required to be included in the table in a different order than the order set forth in paragraph (4)(A) of section 1637(c) of this title; and

''(ii) employ terminology which is different than the terminology which is employed in section 1637(c) of this title if such terminology conveys substantially the same meaning.''

LEVIN AMENDMENT NO. 2768

(Ordered to lie on the table.)

Mr. LEVIN submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. PROHIBITION ON CERTAIN RETROACTIVE FINANCE CHARGES.

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

''(h) PROHIBITION ON RETROACTIVE FINANCE CHARGES.—

''(1) IN GENERAL.—In the case of any credit card account under an open end credit plan, if the creditor provides a grace period applicable to any new extension of credit under

the account, no finance charge may be imposed subsequent to the grace period with regard to any amount that was paid on or before the end of that grace period.

''(2) DEFINITION.—For purposes of this subsection, the term 'grace period' means a period during which the extension of credit may be repaid, in whole or in part, without incurring a finance charge for the extension of credit.''.

DODD AMENDMENT NO. 2769

(Ordered to lie on the table.)

Mr. DODD submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

On page 83, between lines 4 and 5, insert the following:

SEC. 2___. PROTECTION OF EDUCATION SAVINGS.

(a) EXCLUSIONS.—Section 541 of title 11, United States Code, as amended by section 903, is amended—

(1) in subsection (b)—

(A) in paragraph (5), by striking ''or'' at the end;

(B) by redesignating paragraph (6) as paragraph (8); and

(C) by inserting after paragraph (5) the following:

''(6) funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue code of 1986) not later than 365 days before the date of filing of the petition, but—

''(A) only if the designated beneficiary of such account was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were placed in such account;

''(B) only to the extent that such funds—

''(i) are not pledged or promised to any entity in connection with any extension of credit; and

''(ii) are not excess contributions (as described in section 4973(e) of the Internal Revenue Code of 1986); and

''(C) in the case of funds placed in all such accounts having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000;

''(7) funds used to purchase a tuition credit or certificate or contributed to an account in accordance with section 529(b)(1)(A) of the Internal Revenue Code of 1986 under a qualified State tuition program (as defined in section 529(b)(1) of such Code) not later than 365 days before the date of filing of the petition, but—

''(A) only if the designated beneficiary of the amounts paid or contributed to such tuition program was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were paid or contributed;

''(B) with respect to the aggregate amount paid or contributed to such program having the same designated beneficiary, only so much of such amount as does not exceed the total contributions permitted under section 529(b)(7) of such Code with respect to such beneficiary, as adjusted beginning on the date of the filing of the petition by the annual increase or decrease (rounded to the nearest tenth of 1 percent) in the education expenditure category of the Consumer Price Index prepared by the Department of Labor; and

''(C) in the case of funds paid or contributed to such program having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000; or''; and

(2) by adding at the end the following:

''(f) In determining whether any of the relationships specified in paragraph (6)(A) or (7)(A) of subsection (b) exists, a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), or a foster child of an individual (if such child has as the child's principal place of abode the home of the debtor and is a member of the debtor's household) shall be treated as a child of such individual by blood.''.

(b) DEBTOR'S DUTIES.-Section 521 of title 11, United States Code, as amended by sections 105(d), 304(c)(1), 305(2), 315(b), and 316 of this Act, is amended by adding at the end the following:

''(k) In addition to meeting the requirements under subsection (a), a debtor shall file with the court a record of any interest that a debtor has in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) or under a qualified State tuition program (as defined in section 529(b)(1) of such Code).''.

HARKIN AMENDMENT NO. 2270

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place in the bill, add the following section:

SEC. . (a) INVALIDATING HIDDEN SECURITY INTERESTS AND NEARLY VALUELESS HOUSEHOLD LIENS.

(1) EXEMPT PROPERTY.—Section 522(f) of title 11, United States Code, is amended by adding at the end the following:

''(4) A lien held by a creditor on an interest of the debtor in any item of household furnishings, household goods, wearing apparel, appliances, books, animals, crops, musical instruments, or jewelry held primarily for the personal, family, or household use of the debtor or a dependent of the debtor shall be void unless—

''(A) the holder of the lien files with the court and serves on the debtor, within 30 days after the meeting of creditors or before the hearing on confirmation of a plan, whichever occurs first, a sworn declaration that the purchase price for the particular item that is subject to such lien exceeded $1,000 or that the item was purchased within 180 days prior to the filing of the bankruptcy petition, and

''(B)(i) the debtor does not timely object to such declaration; or

''(ii)(I) the debtor objects to such declaration; and

''(II) the court finds that the purchase price of the item exceeded $1,000 or that the item was purchased within 180 days prior to the filing of the bankruptcy petition and that such lien is not avoidable under paragraph (f)(1) of this section.''.

(2) CONFORMING AMENDMENT.—Section 104(b)(1) of title 11, United States Code, is amended by inserting ''552(f),'' after ''552(d)''.

HATCH (AND OTHERS) AMENDMENT NO. 2771

(Ordered to lie on the table.)

Mr. HATCH (for himself, Mr. ASHCROFT, and Mr. ABRAHAM) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following new title:

TITLE ____—METHAMPHETAMINE AND OTHER CONTROLLED SUBSTANCES

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Methamphetamine Anti-Proliferation Act of 1999''.

Subtitle A—Methamphetamine Production, Trafficking, and Abuse

CHAPTER 1—CRIMINAL PENALTIES

SEC. ___11. ENHANCED PUNISHMENT OF AMPHETAMINE LABORATORY OPERATORS.

(a) AMENDMENT TO FEDERAL SENTENCING GUIDELINES.—Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines in accordance with this section with respect to any offense relating to the manufacture, importation, exportation, or trafficking in amphetamine (including an attempt or conspiracy to do any of the foregoing) in violation of—

(1) the Controlled Substances Act (21 U.S.C. 801 et seq.);

(2) the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.); or

(3) the Maritime Drug Law Enforcement Act (46 U.S.C. App. 1901 et seq.).

(b) GENERAL REQUIREMENT.—In carrying out this section, the United States Sentencing Commission shall, with respect to each offense described in subsection (a) relating to amphetamine—

(1) review and amend its guidelines to provide for increased penalties such that those penalties are comparable to the base offense level for methamphetamine; and

(2) take any other action the Commission considers necessary to carry out this subsection.

(c) ADDITIONAL REQUIREMENTS.—In carrying out this section, the United States Sentencing Commission shall ensure that the sentencing guidelines for offenders convicted of offenses described in subsection (a) reflect the heinous nature of such offenses, the need for aggressive law enforcement action to fight such offenses, and the extreme dangers associated with unlawful activity involving amphetamines, including—

(1) the rapidly growing incidence of amphetamine abuse and the threat to public safety that such abuse poses;

(2) the high risk of amphetamine addiction;

(3) the increased risk of violence associated with amphetamine trafficking and abuse; and

(4) the recent increase in the illegal importation of amphetamine and precursor chemicals.

(d) EMERGENCY AUTHORITY TO SENTENCING COMMISSION.—The United States Sentencing Commission shall promulgate amendments pursuant to this section as soon as practicable after the date of the enactment of this Act in accordance with the procedure set forth in section 21(a) of the Sentencing Act of 1987 (Public Law 100–182), as though the authority under that Act had not expired.

SEC. ___12. ENHANCED PUNISHMENT OF AMPHETAMINE OR METHAMPHETAMINE LABORATORY OPERATORS.

(a) FEDERAL SENTENCING GUIDELINES.—

(1) IN GENERAL.—Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines in accordance with paragraph (2) with respect to any offense relating to the manufacture, attempt to manufacture, or conspiracy to manufacture amphetamine or methamphetamine in violation of—

(A) the Controlled Substances Act (21 U.S.C. 801 et seq.);

(B) the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.); or

(C) the Maritime Drug Law Enforcement Act (46 U.S.C. App. 1901 et seq.).

(2) REQUIREMENTS.—In carrying out this paragraph, the United States Sentencing Commission shall—

(A) if the offense created a substantial risk of harm to human life (other than a life described in subparagraph (B)) or the environment, increase the base offense level for the offense—

(i) by not less than 3 offense levels above the applicable level in effect on the date of the enactment of this Act; or

(ii) if the resulting base offense level after an increase under clause (i) would be less than level 27, to not less than level 27; or

(B) if the offense created a substantial risk of harm to the life of a minor or incompetent, increase the base offense level for the offense—

(i) by not less than 6 offense levels above the applicable level in effect on the date of the enactment of this Act; or

(ii) if the resulting base offense level after an increase under clause (i) would be less than level 30, to not less than level 30.

(3) EMERGENCY AUTHORITY TO SENTENCING COMMISSION.—The United States Sentencing Commission shall promulgate amendments pursuant to this subsection as soon as practicable after the date of enactment of this Act in accordance with the procedure set forth in section 21(a) of the Sentencing Act of 1987 (Public Law 100–182), as though the authority under that Act had not expired.

(b) EFFECTIVE DATE.—The amendments made pursuant to this section shall apply with respect to any offense occurring on or after the date that is 60 days after the date of enactment of this Act.

SEC. ___13. MANDATORY RESTITUTION FOR VIOLATIONS OF CONTROLLED SUBSTANCES ACT AND CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT RELATING TO AMPHETAMINE AND METHAMPHETAMINE.

(a) MANDATORY RESTITUTION.—Section 413(q) of the Controlled Substances Act (21 U.S.C. 853(q)) is amended—

(1) in the matter preceding paragraph (1), by striking ''may'' and inserting ''shall'';

(2) by inserting ''amphetamine or'' before ''methamphetamine'' each place it appears;

(3) in paragraph (2)—

(A) by inserting '', the State or local government concerned, or both the United States and the State or local government concerned'' after ''United States'' the first place it appears; and

(B) by inserting ''or the State or local government concerned, as the case may be,'' after ''United States'' the second place it appears; and

(4) in paragraph (3), by striking ''section 3663 of title 18, United States Code'' and inserting ''section 3663A of title 18, United States Code''.

(b) DEPOSIT OF AMOUNTS IN DEPARTMENT OF JUSTICE ASSETS FORFEITURE FUND.—Section 524(c)(4) of title 28, United States Code, is amended—

(1) by striking ''and'' at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(3) by adding at the end the following:

''(D) all amounts collected—

''(i) by the United States pursuant to a reimbursement order under paragraph (2) of section 413(q) of the Controlled Substances Act (21 U.S.C. 853(q)); and

''(ii) pursuant to a restitution order under paragraph (1) or (3) of section 413(q) of the Controlled Substances Act for injuries to the United States.''.

(c) CLARIFICATION OF CERTAIN ORDERS OF RESTITUTION.—Section 3663(c)(2)(B) of title 18, United States Code, is amended by inserting ''which may be'' after ''the fine''.

(d) EXPANSION OF APPLICABILITY OF MANDATORY RESTITUTION.—Section 3663A(c)(1)(A)(ii) of title 18, United States Code, is amended by inserting ''or under section 416(a) of the Controlled Substances Act (21 U.S.C. 856(a)),'' after ''under this title,''.

(e) TREATMENT OF ILLICIT SUBSTANCE MANUFACTURING OPERATIONS AS CRIMES AGAINST PROPERTY.—Section 416 of the Controlled Substances Act (21 U.S.C. 856) is amended by adding at the end the following new subsection:

''(c) A violation of subsection (a) shall be considered an offense against property for purposes of section 3663A(c)(1)(A)(ii) of title 18, United States Code.''.

SEC. ___14. METHAMPHETAMINE PARAPHERNALIA.

Section 422(d) of the Controlled Substances Act (21 U.S.C. 863(d)) is amended in the matter preceding paragraph (1) by inserting ''methamphetamine,'' after ''PCP,''.

CHAPTER 2—ENHANCED LAW ENFORCEMENT

SEC. ___21. ENVIRONMENTAL HAZARDS ASSOCIATED WITH ILLEGAL MANUFACTURE OF AMPHETAMINE AND METHAMPHETAMINE.

(a) USE OF AMOUNTS OR DEPARTMENT OF JUSTICE ASSETS FORFEITURE FUND.—Section 524(c)(1)(E) of title 28, United States Code, is amended—

(1) by inserting ''(i) for'' before ''disbursements'';

(2) by inserting ''and'' after the semicolon; and

(3) by adding at the end the following:

''(ii) for payment for—

''(I) costs incurred by or on behalf of the Department of Justice in connection with the removal, for purposes of Federal forfeiture and disposition, of any hazardous substance or pollutant or contaminant associated with the illegal manufacture of amphetamine or methamphetamine; and

''(II) costs incurred by or on behalf of a State or local government in connection with such removal in any case in which such State or local government has assisted in a Federal prosecution relating to amphetamine or methamphetamine, to the extent such costs exceed equitable sharing payments made to such State or local government in such case;''.

(b) GRANTS UNDER DRUG CONTROL AND SYSTEM IMPROVEMENT GRANT PROGRAM.—Section 501(b)(3) of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by inserting before the semicolon the following: ''and to remove any hazardous substance or pollutant or contaminant associated with the illegal manufacture of amphetamine or methamphetamine''.

(c) AMOUNTS SUPPLEMENT AND NOT SUPPLANT.—

(1) ASSETS FORFEITURE FUND.—Any amounts made available from the Department of Justice Assets Forfeiture Fund in a fiscal year by reason of the amendment made by subsection (a) shall supplement, and not supplant, any other amounts made available to the Department of Justice in such fiscal year from other sources for payment of costs described in section 524(c)(1)(E)(ii) of title 28, United States Code, as so amended.

(2) GRANT PROGRAM.—Any amounts made available in a fiscal year under the grant program under section 501(b)(3) of the Omnibus Crime Control and Safe Streets Act of 1968 for the removal of hazardous substances or pollutants or contaminants associated with the illegal manufacture of amphetamine or methamphetamine by reason of the amendment made by subsection (b) shall supplement, and not supplant, any other amounts made available in such fiscal year from other sources for such removal.

SEC. ___22. REDUCTION IN RETAIL SALES TRANSACTION THRESHOLD FOR NON-SAFE HARBOR PRODUCTS CONTAINING PSEUDOEPHEDRINE OR PHENLYPROPANOLAMINE.

(a) REDUCTION IN TRANSACTION THRESHOLD.—Section 102(39)(A)(iv)(II) of the Controlled Substances Act (21 U.S.C. 802(39)(A)(iv)(II) is amended—

(1) by striking ''24 grams'' both places it appears and inserting ''9 grams''; and

(2) by inserting before the semicolon at the end the following: ''and sold in package sizes of not more than 3 grams of pseudoephedrine base or 3 grams of phenylpropanolamine base''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect one year after the date of the enactment of this Act.

SEC. ___23. TRAINING FOR DRUG ENFORCEMENT ADMINISTRATION AND STATE AND LOCAL LAW ENFORCEMENT PERSONNEL RELATING TO CLANDESTINE LABORATORIES.

(a) IN GENERAL.—

(1) REQUIREMENT.—The Administrator of the Drug Enforcement Administration shall carry out the programs described in subsection (b) with respect to the law enforcement personnel of States and localities determined by the Administrator to have significant levels of methamphetamine-related or amphetamine-related crime or projected by the Administrator to have the potential for such levels of crime in the future.

(2) DURATION.—The duration of any program under that subsection may not exceed 3 years.

(b) COVERED PROGRAMS.—The programs described in this subsection are as follows:

(1) ADVANCED MOBILE CLANDESTINE LABORATORY TRAINING TEAMS.—A program of advanced mobile clandestine laboratory training teams, which shall provide information and training to State and local law enforcement personnel in techniques utilized in conducting undercover investigations and conspiracy cases, and other information designed to assist in the investigation of the illegal manufacturing and trafficking of amphetamine and methamphetamine.

(2) BASIC CLANDESTINE LABORATORY CERTIFICATION TRAINING.—A program of basic clandestine laboratory certification training, which shall provide information and training—

(A) to Drug Enforcement Administration personnel and State and local law enforcement personnel for purposes of enabling such personnel to meet any certification requirements under law with respect to the handling of wastes created by illegal amphetamine and methamphetamine laboratories; and

(B) to State and local law enforcement personnel for purposes of enabling such personnel to provide the information and training covered by subparagraph (A) to other State and local law enforcement personnel.

(3) CLANDESTINE LABORATORY RECERTIFICATION AND AWARENESS TRAINING.—A program of clandestine laboratory recertification and awareness training, which shall provide information and training to State and local law enforcement personnel for purposes of enabling such personnel to provide recertification and awareness training relating to clandestine laboratories to additional State and local law enforcement personnel.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of fiscal years 2000, 2001, and 2002 amounts as follows:

(1) $1,500,000 to carry out the program described in subsection (b)(1).

(2) $3,000,000 to carry out the program described in subsection (b)(2).

(3) $1,000,000 to carry out the program described in subsection (b)(3).

SEC. ___24. COMBATING METHAMPHETAMINE AND AMPHETAMINE IN HIGH INTENSITY DRUG TRAFFICKING AREAS.

(a) IN GENERAL.—

(1) IN GENERAL.—The Director of National Drug Control Policy shall use amounts available under this section to combat the trafficking of methamphetamine and amphetamine in areas designated by the Director as high intensity drug trafficking areas.

(2) ACTIVITIES.—In meeting the requirement in paragraph (1), the Director shall provide funds for—

(A) employing additional Federal law enforcement personnel, or facilitating the employment of additional State and local law enforcement personnel, including agents, investigators, prosecutors, laboratory technicians, chemists, investigative assistants, and drug-prevention specialists; and

(B) such other activities as the Director considers appropriate.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section—

(1) $15,000,000 for fiscal year 2000; and

(2) such sums as may be necessary for each of fiscal years 2001 through 2004.

(c) APPORTIONMENT OF FUNDS.—

(1) FACTORS IN APPORTIONMENT.—The Director shall apportion amounts appropriated for a fiscal year pursuant to the authorization of appropriations in subsection (b) for activities under subsection (a) among and within areas designated by the Director as high intensity drug trafficking areas based on the following factors:

(A) The number of methamphetamine manufacturing facilities and amphetamine manufacturing facilities discovered by Federal, State, or local law enforcement officials in the previous fiscal year.

(B) The number of methamphetamine prosecutions and amphetamine prosecutions in Federal, State, or local courts in the previous fiscal year.

(C) The number of methamphetamine arrests and amphetamine arrests by Federal, State, or local law enforcement officials in the previous fiscal year.

(D) The amounts of methamphetamine, amphetamine, or listed chemicals (as that term is defined in section 102(33) of the Controlled Substances Act (21 U.S.C. 802(33)) seized by Federal, State, or local law enforcement officials in the previous fiscal year.

(E) Intelligence and predictive data from the Drug Enforcement Administration and the Department of Health and Human Services showing patterns and trends in abuse, trafficking, and transportation in methamphetamine, amphetamine, and listed chemicals (as that term is so defined).

(2) CERTIFICATION.—Before the Director apportions any funds under this subsection to a high intensity drug trafficking area, the Director shall certify that the law enforcement entities responsible for clandestine methamphetamine and amphetamine laboratory seizures in that area are providing laboratory seizure data to the national clandestine laboratory database at the El Paso Intelligence Center.

(d) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the amount appropriated in a fiscal year pursuant to the authorization of appropriations for that fiscal year in subsection (b) may be available in that fiscal year for administrative costs associated with activities under subsection (a).

SEC. ___25. COMBATING AMPHETAMINE AND METHAMPHETAMINE MANUFACTURING AND TRAFFICKING.

(a) ACTIVITIES.—In order to combat the illegal manufacturing and trafficking in amphetamine and methamphetamine, the Administrator of the Drug Enforcement Administration may—

(1) assist State and local law enforcement in small and mid-sized communities in all phases of investigations related to such manufacturing and trafficking, including assistance with foreign-language interpretation;

(2) staff additional regional enforcement and mobile enforcement teams related to such manufacturing and trafficking;

(3) establish additional resident offices and posts of duty to assist State and local law enforcement in rural areas in combating such manufacturing and trafficking;

(4) provide the Special Operations Division of the Administration with additional agents and staff to collect, evaluate, interpret, and disseminate critical intelligence targeting the command and control operations of major amphetamine and methamphetamine manufacturing and trafficking organizations;

(5) enhance the investigative and related functions of the Chemical Control Program of the Administration to implement more fully the provisions of the Comprehensive Methamphetamine Control Act of 1996 (Public Law 104–237);

(6) design an effective means of requiring an accurate accounting of the import and export of list I chemicals, and coordinate investigations relating to the diversion of such chemicals;

(7) develop a computer infrastructure sufficient to receive, process, analyze, and redistribute time-sensitive enforcement information from suspicious order reporting to field offices of the Administration and other law enforcement and regulatory agencies, including the continuing development of the Suspicious Order Reporting and Tracking System (SORTS) and the Chemical Transaction Database (CTRANS) of the Administration;

(8) establish an education, training, and communication process in order to alert the industry to current trends and emerging patterns in the illegal manufacturing of amphetamine and methamphetamine; and

(9) carry out such other activities as the Administrator considers appropriate.

(b) ADDITIONAL POSITIONS AND PERSONNEL.—

(1) IN GENERAL.—In carrying out activities under subsection (a), the Administrator may establish in the Administration not more than 50 full-time positions, including not more than 31 special-agent positions, and may appoint personnel to such positions.

(2) PARTICULAR POSITIONS.—In carrying out activities under paragraphs (5) through (8) of subsection (a), the Administrator may establish in the Administration not more than 15 full-time positions, including not more than 10 diversion investigator positions, and may appoint personnel to such positions. Any positions established under this paragraph are in addition to any positions established under paragraph (1).

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the Drug Enforcement Administration for each fiscal year after fiscal year 1999, $9,500,000 for purposes of carrying out the activities authorized by subsection (a) and employing personnel in positions established under subsection (b), of which $3,000,000 shall be available for activities under paragraphs (5) through (8) of subsection (a) and employing personnel in positions established under subsection (b)(2).

CHAPTER 3—ABUSE PREVENTION AND TREATMENT

SEC. ___31. EXPANSION OF METHAMPHETAMINE RESEARCH.

Section 464N of the Public Health Service Act (42 U.S.C. 285o–2) is amended by adding at the end the following:

''(c) METHAMPHETAMINE RESEARCH.—

''(1) GRANTS OR COOPERATIVE AGREEMENTS.—The Director of the Institute may make grants or enter into cooperative agreements to expand the current and on-going interdisciplinary research and clinical trials with treatment centers of the National Drug Abuse Treatment Clinical Trials Network relating to methamphetamine abuse and addiction and other biomedical, behavioral, and social issues related to methamphetamine abuse and addiction.

''(2) USE OF FUNDS.—Amounts made available under a grant or cooperative agreement under paragraph (1) for methamphetamine abuse and addiction may be used for research and clinical trials relating to—

''(A) the effects of methamphetamine abuse on the human body, including the brain;

''(B) the addictive nature of methamphetamine and how such effects differ with respect to different individuals;

''(C) the connection between methamphetamine abuse and mental health;

''(D) the identification and evaluation of the most effective methods of prevention of methamphetamine abuse and addiction;

''(E) the identification and development of the most effective methods of treatment of methamphetamine addiction, including pharmacological treatments;

''(F) risk factors for methamphetamine abuse;

''(G) effects of methamphetamine abuse and addiction on pregnant women and their fetuses; and

''(H) cultural, social, behavioral, neurological and psychological reasons that individuals abuse methamphetamine, or refrain from abusing methamphetamine.

''(3) RESEARCH RESULTS.—The Director shall promptly disseminate research results under this subsection to Federal, State and local entities involved in combating methamphetamine abuse and addiction.

''(4) AUTHORIZATION OF APPROPRIATIONS.—

''(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out paragraph (1), such sums as may be necessary for each fiscal year.

''(B) SUPPLEMENT NOT SUPPLANT.—Amounts appropriated pursuant to the authorization of appropriations in subparagraph (A) for a fiscal year shall supplement and not supplant any other amounts appropriated in such fiscal year for research on methamphetamine abuse and addiction.''.

SEC. ___32. METHAMPHETAMINE AND AMPHETAMINE TREATMENT INITIATIVE BY CENTER FOR SUBSTANCE ABUSE TREATMENT.

Subpart 1 of part B of title V of the Public Health Service Act (42 U.S.C. 290bb et seq.) is amended by adding at the end the following new section:

''METHAMPHETAMINE AND AMPHETAMINE TREATMENT INITIATIVE

''SEC. 514. (a) GRANTS.—

''(1) AUTHORITY TO MAKE GRANTS.—The Director of the Center for Substance Abuse Treatment may make grants to States and Indian tribes recognized by the United States that have a high rate, or have had a rapid increase, in methamphetamine or amphetamine abuse or addiction in order to permit such States and Indian tribes to expand activities in connection with the treatment of methamphetamine or amphetamine abuser or addiction in the specific geographical areas of such States or Indian tribes, as the case may be, where there is such a rate or has been such an increase.

''(2) RECIPIENTS.—Any grants under paragraph (1) shall be directed to the substance abuse directors of the States, and of the appropriate tribal government authorities of

the Indian tribes, selected by the Director to receive such grants.

''(3) NATURE OF ACTIVITIES.—Any activities under a grant under paragraph (1) shall be based on reliable scientific evidence of their efficacy in the treatment of methamphetamine or amphetamine abuse or addiction.

''(b) GEOGRAPHIC DISTRIBUTION.—The Director shall ensure that grants under subsection (a) are distributed equitably among the various regions of the country and among rural, urban, and suburban areas that are affected by methamphetamine or amphetamine abuse or addiction.

''(c) ADDITIONAL ACTIVITIES.—The Director shall—

''(1) evaluate the activities supported by grants under subsection (a);

''(2) disseminate widely such significant information derived from the evaluation as the Director considers appropriate to assist States, Indian tribes, and private providers of treatment services for methamphetamine or amphetamine abuser or addiction in the treatment of methamphetamine or amphetamine abuse or addiction; and

''(3) provide States, Indian tribes, and such providers with technical assistance in connection with the provision of such treatment.

''(d) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to carry out this section $10,000,000 for fiscal year 2000 and such sums as may be necessary for each of fiscal years 2001 and 2002.

''(2) USE OF CERTAIN FUNDS.—Of the funds appropriated to carry out this section in any fiscal year, the lesser of 5 percent of such funds or $1,000,000 shall be available to the Director for purposes of carrying out subsection (c).''.

SEC. ___33. EXPANSION OF METHAMPHETAMINE ABUSE PREVENTION EFFORTS.

(a) EXPANSION OF EFFORTS.—Section 515 of the Public Health Service Act (42 U.S.C. 290bb–21) is amended by adding at the end the following:

''(e)(1) The Administrator may make grants to and enter into contracts and cooperative agreements with public and nonprofit private entities to enable such entities—

''(A) to carry out school-based programs concerning the dangers of abuse of and addiction to methamphetamine and other illicit drugs, using methods that are effective and science-based, including initiatives that give students the responsibility to create their own anti-drug abuse education programs for their schools; and

''(B) to carry out community-based abuse and addiction prevention programs relating to methamphetamine and other illicit drugs that are effective and science-based.

''(2) Amounts made available under a grant, contract or cooperative agreement under paragraph (1) shall be used for planning, establishing, or administering prevention programs relating to methamphetamine and other illicit drugs in accordance with paragraph (3).

''(3)(A) Amounts provided under this subsection may be used—

''(i) to carry out school-based programs that are focused on those districts with high or increasing rates of methamphetamine abuse and addiction and targeted at populations which are most at risk to start abuse of methamphetamine and other illicit drugs;

''(ii) to carry out community-based prevention programs that are focused on those populations within the community that are most at-risk for abuse of and addiction to methamphetamine and other illicit drugs;

''(iii) to assist local government entities to conduct appropriate prevention activities relating to methamphetamine and other illicit drugs;

''(iv) to train and educate State and local law enforcement officials, prevention and education officials, members of community anti-drug coalitions and parents on the signs of abuse of and addiction to methamphetamine and other illicit drugs, and the options for treatment and prevention;

''(v) for planning, administration, and educational activities related to the prevention of abuse of and addiction to methamphetamine and other illicit drugs;

''(vi) for the monitoring and evaluation of prevention activities relating to methamphetamine and other illicit drugs, and reporting and disseminating resulting information to the public; and

''(vii) for targeted pilot programs with evaluation components to encourage innovation and experimentation with new methodologies.

''(B) The Administrator shall give priority in making grants under this subsection to rural and urban areas that are experiencing a high rate or rapid increases in methamphetamine abuse and addiction.

''(4)(A) Not less than $500,000 of the amount available in each fiscal year to carry out this subsection shall be made available to the Administrator, acting in consultation with other Federal agencies, to support and conduct periodic analyses and evaluations of effective prevention programs for abuse of and addiction to methamphetamine and other illicit drugs and the development of appropriate strategies for disseminating information about and implementing these programs.

''(B) The Administrator shall submit to the committees of Congress referred to in subparagraph (C) an annual report with the results of the analyses and evaluation under subparagraph (A).

''(C) The committees of Congress referred to in this subparagraph are the following:

''(i) The Committees on Health, Education, Labor, and Pensions, the Judiciary, and Appropriations of the Senate.

''(ii) The Committees on Commerce, the Judiciary, and Appropriations of the House of Representatives.''.

(b) AUTHORIZATION OF APPROPRIATIONS FOR EXPANSION OF ABUSE PREVENTION EFFORTS AND PRACTITIONER REGISTRATION REQUIREMENTS.—There is authorized to be appropriated to carry out section 515(e) of the Public Health Service Act (as added by subsection (a)) and section 303(g)(2) of the Controlled Substances Act (as added by section 18(a) of this Act), $15,000,000 for fiscal year 2000, and such sums as may be necessary for each succeeding fiscal year.

SEC. ___34. STUDY OF METHAMPHETAMINE TREATMENT.

(a) STUDY.—

(1) REQUIREMENT.—The Secretary of Health and Human Services shall, in consultation with the Institute of Medicine of the National Academy of Sciences, conduct a study on the development of medications for the treatment of addiction to amphetamine and methamphetamine.

(2) REPORT.—Not later than nine months after the date of the enactment of this Act, the Secretary shall submit to the Committees on the Judiciary of the Senate and House of Representatives a report on the results of the study conducted under paragraph (1).

(b) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated for the Department of Health and Human Services for fiscal year 2000 such sums as may be necessary to meet the requirements of subsection (a).

CHAPTER 4—REPORTS

SEC. ___41. REPORTS ON CONSUMPTION OF METHAMPHETAMINE AND OTHER ILLICIT DRUGS IN RURAL AREAS, METROPOLITAN AREAS, AND CONSOLIDATED METROPOLITAN AREAS.

The Secretary of Health and Human Services shall include in each National Household Survey on Drug Abuse appropriate prevalence data and information on the consumption of methamphetamine and other illicit drugs in rural areas, metropolitan areas, and consolidated metropolitan areas.

SEC. ___42. REPORT ON DIVERSION OF ORDINARY OVER-THE-COUNTER PSEUDOEPHEDRINE AND PHENYLPROPANOLAMINE PRODUCTS.

(a) STUDY.—The Attorney General shall conduct a study of the use of ordinary over-the-counter pseudoephedrine and phenylpropanolamine products in the clandestine production of illicit drugs. Sources of data for the study shall include the following:

(1) Information from Federal, State, and local clandestine laboratory seizures and related investigations identifying the source, type, or brand of drug products being utilized and how they were obtained for the illicit production of methamphetamine and amphetamine.

(2) Information submitted voluntarily from the pharmaceutical and retail industries involved in the manufacture, distribution, and sale of drug products containing ephedrine, pseudoephedrine, and phenylpropanolamine, including information on changes in the pattern, volume, or both, of sales of ordinary over-the-counter pseudoephedrine and phenylpropanolamine products.

(b) REPORT.—

(1) REQUIREMENT.—Not later than April 1, 2001, the Attorney General shall submit to Congress a report on the study conducted under subsection (a).

(2) ELEMENTS.—The report shall include—

(A) the findings of the Attorney General as a result of the study; and

(B) such recommendations on the need to establish additional measures to prevent diversion of ordinary over-the-counter pseudoephedrine and phenylpropanolamine (such as a threshold on ordinary over-the-counter pseudoephedrine and phenylpropanolamine products) as the Attorney General considers appropriate.

(3) MATTERS CONSIDERED.—In preparing the report, the Attorney General shall consider the comments and recommendations of State and local law enforcement and regulatory officials and of representatives of the industry described in subsection (a)(2).

Subtitle B—Controlled Substances Generally

CHAPTER 1—CRIMINAL MATTERS

SEC. ___51. ENHANCED PUNISHMENT FOR TRAFFICKING IN LIST I CHEMICALS.

(a) AMENDMENTS TO FEDERAL SENTENCING GUIDELINES.—Pursuant to its authority under section 994(p) of title 28, United States, the United States Sentencing Commission shall amend the Federal sentencing guidelines in accordance with this section with respect to any violation of paragraph (1) or (2) of section 401(d) of the Controlled Substances Act (21 U.S.C. 841(d)) involving a list I chemical and any violation of paragraph (1) or (3) of section 1010(d) of the Controlled Substance Import and Export Act (21 U.S.C. 960(d)) involving a list I chemical.

(b) EPHEDRINE, PHENYLPROPANOLAMINE, AND PSEUDOEPHEDRINE.—

(1) IN GENERAL.—In carrying this section, the United States Sentencing Commission shall, with respect to each offense described in subsection (a) involving ephedrine, phenylpropanolamine, or pseudoephedrine (including their salts, optical isomers, and salts of optical isomers), review and amend its

guidelines to provide for increased penalties such that those penalties corresponded to the quantity of controlled substance that could reasonably have been manufactured using the quantity of ephedrine, phenylpropanolamine, or pseudoephedrine possessed or distributed.

(2) CONVERSION RATIOS.—For the purposes of the amendments made by this subsection, the quantity of controlled substance that could reasonably have been manufactured shall be determined by using a table of manufacturing conversion ratios for ephedrine, phenylpropanolamine, and pseudoephedrine, which table shall be established by the Sentencing Commission based on scientific, law enforcement, and other data the Sentencing Commission considers appropriate.

(c) OTHER LIST I CHEMICALS.—In carrying this section, the United States Sentencing Commission shall, with respect to each offense described in subsection (a) involving any list I chemical other than ephedrine, phenylpropanolamine, or pseudoephedrine, review and amend its guidelines to provide for increased penalties such that those penalties reflect the dangerous nature of such offenses, the need for aggressive law enforcement action to fight such offenses, and the extreme dangers associated with unlawful activity involving methamphetamine and amphetamine, including—

(1) the rapidly growing incidence of controlled substance manufacturing;

(2) the extreme danger inherent in manufacturing controlled substances;

(3) the threat to public safety posed by manufacturing controlled substances; and

(4) the recent increase in the importation, possession, and distribution of list I chemicals for the purpose of manufacturing controlled substances.

(d) EMERGENCY AUTHORITY TO SENTENCING COMMISSION.—The United States Sentencing Commission shall promulgate amendments pursuant to this section as soon as practicable after the date of the enactment of this Act in accordance with the procedure set forth in section 21(a) of the Sentencing Act of 1987 (Public Law 100–182), as though the authority under that Act had not expired.

SEC. ___52. MAIL ORDER REQUIREMENTS.

Section 310(b)(3) of the Controlled Substances Act (21 U.S.C. 830(b)(3)) is amended—

(1) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively;

(2) by inserting before subparagraph (B), as so redesignated, the following new subparagraph (A):

''(A) As used in this paragraph:

''(i) The term 'drug product' means an active ingredient in dosage form that has been approved or otherwise may be lawfully marketed under the Food, Drug, and Cosmetic Act for distribution in the United States.

''(ii) The term 'valid prescription' means a prescription which is issued for a legitimate medical purpose by an individual practitioner licensed by law to administer and prescribe the drugs concerned and acting in the usual course of the practitioner's professional practice.'';

(3) in subparagraph (B), as so redesignated, by inserting ''or who engages in an export transaction'' after ''nonregulated person''; and

(4) adding at the end the following:

''(D) Except as provided in subparagraph (E), the following distributions to a nonregulated person, and the following export transactions, shall not be subject to the reporting requirement in subparagraph (B):

''(i) Distributions of sample packages of drug products when such packages contain not more than 2 solid dosage units or the equivalent of 2 dosage units in liquid form, not to exceed 10 milliliters of liquid per package, and not more than one package is distributed to an individual or residential address in any 30-day period.

''(ii) Distributions of drug products by retail distributors that may not include face-to-face transactions to the extent that such distributions are consistent with the activities authorized for a retail distributor as specified in section 102(46).

''(iii) Distributions of drug products to a resident of a long term care facility (as that term is defined in regulations prescribed by the Attorney General) or distributions of drug products to a long term care facility for dispensing to or for use by a resident of that facility.

''(iv) Distributions of drug products pursuant to a valid prescription.

''(v) Exports which have been reported to the Attorney General pursuant to section 1004 or 1018 or which are subject to a waiver granted under section 1018(e)(2).

''(vi) Any quantity, method, or type of distribution or any quantity, method, or type of distribution of a specific listed chemical (including specific formulations or drug products) or of a group of listed chemicals (including specific formulations or drug products) which the Attorney General has excluded by regulation from such reporting requirement on the basis that such reporting is not necessary for the enforcement of this title or title III.

''(E) The Attorney General may revoke any or all of the exemptions listed in subparagraph (D) for an individual regulated person if he finds that drug products distributed by the regulated person are being used in violation of this title or title III. The regulated person shall be notified of the revocation, which will be effective upon receipt by the person of such notice, as provided in section 1018(c)(1), and shall have the right to an expedited hearing as provided in section 1018(c)(2).''.

SEC. ___53. INCREASED PENALTIES FOR DISTRIBUTING DRUGS TO MINORS.

Section 418 of the Controlled Substances Act (21 U.S.C. 859) is amended—

(1) in subsection (a), by striking ''one year'' and inserting ''3 years''; and

(2) in subsection (b), by striking ''one year'' and inserting ''5 years''.

SEC. ___54. INCREASED PENALTY FOR DRUG TRAFFICKING IN OR NEAR A SCHOOL OR OTHER PROTECTED LOCATION.

Section 419 of the Controlled Substances Act (21 U.S.C. 860) is amended—

(1) in subsection (a), by striking ''one year'' and inserting ''3 years''; and

(2) in subsection (b), by striking ''three years'' each place that term appears and inserting ''5 years''.

SEC. ___55. ADVERTISEMENTS FOR DRUG PARAPHERNALIA AND SCHEDULE I CONTROLLED SUBSTANCES.

(a) DRUG PARAPHERNALIA.—Subsection (a)(1) of section 422 of the Controlled Substances Act (21 U.S.C. 863) is amended by inserting '', directly or indirectly advertise for sale,'' after ''sell''.

(b) DIRECTLY OR INDIRECTLY ADVERTISE FOR SALE DEFINED.—Such section 422 is further amended by adding at the end the following new subsection:

''(g) In this section, the term 'directly or indirectly advertise for sale' means the use of any communication facility (as that term is defined in section 403(b)) to post, publicize, transmit, publish, link to, broadcast, or otherwise advertise any matter (including a telephone number or electronic or mail address) with the intent to facilitate or promote a transaction in.''.

(c) SCHEDULE I CONTROLLED SUBSTANCES.—Section 403(c) of such Act (21 U.S.C. 843(c)) is amended—

(1) by inserting ''(1)'' after ''(c)''; and

(2) in paragraph (1), as so designated—

(A) in the first sentence, by inserting before the period the following: '', or to directly or indirectly advertise for sale (as that term is defined in section 422(g)) any Schedule I controlled substance''; and

(B) in the second sentence, by striking ''term 'advertisement''' and inserting ''term 'written advertisement'''.

SEC. ___56. THEFT AND TRANSPORTATION OF ANHYDROUS AMMONIA FOR PURPOSES OF ILLICIT PRODUCTION OF CONTROLLED SUBSTANCES.

(a) IN GENERAL.—Part D of the Controlled Substances Act (21 U.S.C. 841 et seq.) is amended by adding at the end the following:

''ANHYDROUS AMMONIA

''SEC. 423. (a) It is unlawful for any person—

''(1) to steal anhydrous ammonia, or

''(2) to transport stolen anhydrous ammonia across State lines,

knowing, intending, or having reasonable cause to believe that such anhydrous ammonia will be used to manufacture a controlled substance in violation of this part.

''(b) Any person who violates subsection (a) shall be imprisoned or fined, or both, in accordance with section 403(d) as if such violation were a violation of a provision of section 403.''.

(b) CLERICAL AMENDMENT.—The table of contents for that Act is amended by inserting after the item relating to section 421 the following new items:

''Sec. 422. Drug paraphernalia.
''Sec. 423. Anhydrous ammonia.''.

(c) ASSISTANCE FOR CERTAIN RESEARCH.—

(1) AGREEMENT.—The Administrator of the Drug Enforcement Administration shall seek to enter into an agreement with Iowa State University in order to permit the University to continue and expand its current research into the development of inert agents that, when added to anhydrous ammonia, eliminate the usefulness of anhydrous ammonia as an ingredient in the production of methamphetamine.

(2) REIMBURSABLE PROVISION OF FUNDS.—The agreement under paragraph (1) may provide for the provision to Iowa State University, on a reimbursable basis, of $500,000 for purposes the activities specified in that paragraph.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated for the Drug Enforcement Administration for fiscal year 2000, $500,000 for purposes of carrying out the agreement under this subsection.

SEC. ___57. CRIMINAL PROHIBITION ON DISTRIBUTION OF CERTAIN INFORMATION RELATING TO THE MANUFACTURE OF CONTROLLED SUBSTANCES.

(a) IN GENERAL.—Part I of title 18, United States Code, is amended by inserting after chapter 21 the following new chapter:

''CHAPTER 22—CONTROLLED SUBSTANCES

''§ 421. Distribution of information relating to manufacture of controlled substances

''(a) PROHIBITION ON DISTRIBUTION OF INFORMATION RELATING TO MANUFACTURE OF CONTROLLED SUBSTANCES.—

''(1) CONTROLLED SUBSTANCE DEFINED.—In this subsection, the term 'controlled substance' has the meaning given that term in

section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).

''(2) PROHIBITION.—It shall be unlawful for any person—

''(A) to teach or demonstrate the manufacture of a controlled substance, or to distribute by any means information pertaining to, in whole or in part, the manufacture of a controlled substance, with the intent that the teaching, demonstration, or information be used for, or in furtherance of, an activity that constitutes a Federal crime; or

''(B) to teach or demonstrate to any person the manufacture of a controlled substance, or to distribute to any person, by any means, information pertaining to, in whole or in part, the manufacture of a controlled substance, knowing that such person intends to use the teaching, demonstration, or information for, or in furtherance of, an activity that constitutes a Federal crime.

''(b) PENALTY.—Any person who violates subsection (a) shall be fined under this title, imprisoned not more than 10 years, or both.''.

(b) CLERICAL AMENDMENT.—The table of chapters at the beginning of part I of title 18, United States Code, is amended by inserting after the item relating to chapter 21 the following new item:

''22. Controlled Substances ..... 421''.

CHAPTER 2—OTHER MATTERS

SEC. ___61. WAIVER AUTHORITY FOR PHYSICIANS WHO DISPENSE OR PRESCRIBE CERTAIN NARCOTIC DRUGS FOR MAINTENANCE TREATMENT OR DETOXIFICATION TREATMENT.

(a) REQUIREMENTS.—Section 303(g) of the Controlled Substances Act (21 U.S.C. 823(g)) is amended—

(1) in paragraph (2), by striking ''(A) security'' and inserting ''(i) security'', and by striking ''(B) the maintenance'' and inserting ''(ii) the maintenance'';

(2) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively;

(3) by inserting ''(1)'' after ''(g)'';

(4) by striking ''Practitioners who dispense'' and inserting ''Except as provided in paragraph (2), practitioners who dispense and prescribe''; and

(5) by adding at the end the following:

''(2)(A) Subject to subparagraphs (D), the requirements of paragraph (1) are waived in the case of the dispensing or prescribing, by a physician, of narcotic drugs in schedule III, IV, or V, or combinations of such drugs, if the physician meets the conditions specified in subparagraph (B) and the narcotic drugs or combinations of such drugs meet the conditions specified in subparagraph (C).

''(B)(i) For purposes of subparagraph (A), the conditions specified in this subparagraph with respect to a physician are that, before dispensing or prescribing narcotic drugs in schedule III, IV, or V, or combinations of such drugs, to patients for maintenance or detoxification treatment, the physician submit to the Secretary and the Attorney General a notification of the intent of the physician to begin dispensing or prescribing the drugs or combinations for such purpose, and that the notification to the Secretary also contain the following certifications by the physician:

''(I) The physician—

''(aa) is a physician licensed under State law; and

''(bb) has training or experience and the ability to treat and manage opiate-dependent patients.

''(II) With respect to patients to whom the physician will provide such drugs or combinations of drugs, the physician has the capacity to refer the patients for appropriate counseling and other appropriate ancillary services.

''(III) In any case in which the physician is not in a group practice, the total number of such patients of the physician at any one time will not exceed the applicable number. For purposes of this subclause, the applicable number is 20, except that the Secretary may by regulation change such total number.

''(IV) In any case in which the physician is in a group practice, the total number of such patients of the group practice at any one time will not exceed the applicable number. For purposes of this subclause, the applicable number is 20, except that the Secretary may by regulation change such total number, and the Secretary for such purposes may by regulation establish different categories on the basis of the number of physicians in a group practice and establish for the various categories different numerical limitations on the number of such patients that the group practice may have.

''(ii)(I) The Secretary may, in consultation with the Administrator of the Drug Enforcement Administration, the Administrator of the Substance Abuse and Mental Health Services Administration, the Director of the Center for Substance Abuse Treatment, the Director of the National Institute on Drug Abuse, and the Commissioner of Food and Drugs, issue regulations through notice and comment rulemaking or practice guidelines to implement this paragraph. The regulations or practice guidelines shall address the following:

''(aa) Approval of additional credentialing bodies and the responsibilities of credentialing bodies.

''(bb) Additional exemptions from the requirements of this paragraph and any regulations under this paragraph.

''(II) Nothing in the regulations or practice guidelines under this clause may authorize any Federal official or employee to exercise supervision or control over the practice of medicine or the manner in which medical services are provided.

''(III)(aa) The Secretary shall issue a Treatment Improvement Protocol containing best practice guidelines for the treatment and maintenance of opiate-dependent patients. The Secretary shall develop the protocol in consultation with the Director of the National Institute on Drug Abuse, the Director of the Center for Substance Abuse Treatment, the Administrator of the Drug Enforcement Administration, the Commissioner of Food and Drugs, the Administrator of the Substance Abuse and Mental Health Services Administration, and other substance abuse disorder professionals. The protocol shall be guided by science.

''(bb) The protocol shall be issued not later than 120 days after the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999.

''(IV) For purposes of the regulations or practice guidelines under subclause (I), a physician shall have training or experience under clause (i)(I)(bb) if the physician meets one or more of the following conditions:

''(aa) The physician is certified in addiction treatment by the American Society of Addiction Medicine, the American Board of Medical Specialties, the American Osteopathic Academy of Addiction Medicine, or any other certified body accredited by the Secretary.

''(bb) The physician has been a clinical investigator in a clinical trial conducted for purposes of securing approval under section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) or section 351 of the Public Health Service Act (42 U.S.C. 262) of a narcotic drug in schedule III, IV, or V for the treatment of addiction, if such approval was granted.

''(cc) The physician has completed training (through classroom situations, seminars, professional society meetings, electronic communications, or otherwise) provided by the American Society of Addiction Medicine, the American Academy of Addiction Psychiatry, the American Osteopathic Academy of Addiction Medicine, the American Medical Association, the American Osteopathic Association, the American Psychiatric Association, or any other organization that the Secretary determines appropriate for purposes of this item. The curricula may include training in patient need for counseling regarding HIV, Hepatitis C, and other infectious diseases, substance abuse counseling, random drug testing, medical evaluation, annual assessment, prenatal care, diagnosis of addiction, rehabilitation services, confidentiality, and other appropriate topics.

''(dd) The physician has training or experience in the treatment and management of opiate-dependent, which training or experience shall meet such criteria as the Secretary may prescribe. Any such criteria shall be effective for a period of three years after the effective date of such criteria, but the Secretary may extend the effective period of such criteria by additional periods of three years for each extension if the Secretary determines that such extension is appropriate for purposes of this item. Any such extension shall go into effect only if the Secretary publishes a notice of such extension in the Federal Register during the 30-day period ending on the date of the end of the three-year effective period of such criteria to which such extension will apply.

''(ee) The physician is certified in addiction treatment by a State medical licensing board, or an entity accredited by such board, unless the Secretary determines (after an opportunity for a hearing) that the training provided by such board or entity was inadequate for the treatment and management of opiate-dependent patients.

''(C) For purposes of subparagraph (A), the conditions specified in this subparagraph with respect to narcotic drugs in schedule III, IV, or V, or combinations of such drugs, are as follows:

''(i) The drugs or combinations of drugs have, under the Federal Food, Drug and Cosmetic Act or section 351 of the Public Health Service Act, been approved for use in maintenance or detoxification treatment.

''(ii) The drugs or combinations of drugs have not been the subject of an adverse determination. For purposes of this clause, an adverse determination is a determination published in the Federal Register and made by the Secretary, after consultation with the Attorney General, that experience since the approval of the drug or combinations of drugs has shown that the use of the drugs or combinations of drugs for maintenance or detoxification treatment requires additional standards respecting the qualifications of physicians to provide such treatment, or requires standards respecting the quantities of the drugs that may be provided for unsupervised use.

''(D)(i) A waiver under subparagraph (A) with respect to a physician is not in effect unless (in addition to conditions under subparagraphs (B) and (C)) the following conditions are met:

''(I) The notification under subparagraph (B) is in writing and states the name of the physician.

''(II) The notification identifies the registration issued for the physician pursuant to subsection (f).

''(III) If the physician is a member of a group practice, the notification states the names of the other physicians in the practice and identifies the registrations issued for the other physicians pursuant to subsection (f).

''(IV) A period of 45 days has elapsed after the date on which the notification was submitted, and during such period the physician does not receive from the Secretary a written notice that one or more of the conditions specified in subparagraph (B), subparagraph (C), or this subparagraph, have not been met.

''(ii) The Secretary shall provide to the Attorney General such information contained in notifications under subparagraph (B) as the Attorney General may request.

''(E) If in violation of subparagraph (A) a physician dispenses or prescribes narcotic drugs in schedule III, IV, or V, or combinations of such drugs, for maintenance treatment or detoxification treatment, the Attorney General may, for purposes of section 304(a)(4), consider the physician to have committed an act that renders the registration of the physician pursuant to subsection (f) to be inconsistent with the public interest.

''(F)(i) Upon determining that a physician meets the conditions specified in subparagraph (B), the Secretary shall notify the physician and the Attorney General.

''(ii) Upon receiving notice with respect to a physician under clause (i), the Attorney General shall assign the physician an identification number under this paragraph for inclusion with the physician's current registration to prescribe narcotics. An identification number assigned a physician under this clause shall be appropriate to preserve the confidentiality of a patient prescribed narcotic drugs covered by this paragraph by the physician.

''(iii) If the Secretary fails to make a determination described in clause (i) by the end of the 45-day period beginning on the date of the receipt by the Secretary of a notification from a physician under subparagraph (B), the Attorney General shall assign the physician an identification number described in clause (ii) at the end of such period.

''(G) In this paragraph:

''(i) The term 'group practice' has the meaning given such term in section 1877(h)(4) of the Social Security Act.

''(ii) The term 'physician' has the meaning given such term in section 1861(r) of the Social Security Act.

''(H)(i) This paragraph takes effect on the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999, and remains in effect thereafter except as provided in clause (iii) (relating to a decision by the Secretary or the Attorney General that this paragraph should not remain in effect).

''(ii) For the purposes relating to clause (iii), the Secretary and the Attorney General shall, during the 3-year period beginning on the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999, make determinations in accordance with the following:

''(I)(aa) The Secretary shall—

''(aaa) make a determination of whether treatments provided under waivers under subparagraph (A) have been effective forms of maintenance treatment and detoxification treatment in clinical settings;

''(bbb) make a determination regarding whether such waivers have significantly increased (relative to the beginning of such period) the availability of maintenance treatment and detoxification treatment; and

''(ccc) make a determination regarding whether such waivers have adverse consequences for the public health.

''(bb) In making determinations under this subclause, the Secretary—

''(aaa) may collect data from the practitioners for whom waivers under subparagraph (A) are in effect;

''(bbb) shall issue appropriate guidelines or regulations (in accordance with procedures for substantive rules under section 553 of title 5, United States Code) specifying the scope of the data that will be required to be provided under this subclause and the means through which the data will be collected; and

''(ccc) shall, with respect to collecting such data, comply with applicable provisions of chapter 6 of title 5, United States Code (relating to a regulatory flexibility analysis), and of chapter 8 of such title (relating to congressional review of agency rulemaking).

''(II) The Attorney General shall—

''(aa) make a determination of the extent to which there have been violations of the numerical limitations established under subparagraph (B) for the number of individuals to whom a practitioner may provide treatment; and

''(bb) make a determination regarding whether waivers under subparagraph (A) have increased (relative to the beginning of such period) the extent to which narcotic drugs in schedule III, IV, or V, or combinations of such drugs, are being dispensed or prescribed, or possessed, in violation of this Act.

''(iii) If, before the expiration of the period specified in clause (ii), the Secretary or the Attorney General publishes in the Federal Register a decision, made on the basis of determinations under such clause, that this paragraph should not remain in effect, this paragraph ceases to be in effect 60 days after the date on which the decision is so published. The Secretary shall, in making any such decision, consult with the Attorney General, and shall, in publishing the decision in the Federal Register, include any comments received from the Attorney General for inclusion in the publication. The Attorney General shall, in making any such decision, consult with the Secretary, and shall, in publishing the decision in the Federal Register, include any comments received from the Secretary for inclusion in the publication.

''(I) During the 3-year period beginning on the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999, a State may not preclude a practitioner from dispensing or prescribing narcotic drugs in schedule III, IV, or V, or combinations of such drugs, to patients for maintenance or detoxification treatment in accordance with this paragraph, or the other amendments made by section 22 of that Act, unless, before the expiration of that 3-year period, the State enacts a law prohibiting a practitioner from dispensing or prescribing such drugs or combination of drugs.''.

(b) CONFORMING AMENDMENTS.—Section 304 of the Controlled Substances Act (21 U.S.C. 824) is amended—

(1) in subsection (a), in the matter following paragraph (5), by striking ''section 303(g)'' each place the term appears and inserting ''section 303(g)(1)''; and

(2) in subsection (d), by striking ''section 303(g)'' and inserting ''section 303(g)(1)''.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated for purposes of activities under section 303(g)(2) of the Controlled Substances Act, as added by subsection (a), amounts as follows:

(1) For fiscal year 2000, $3,000,000.

(2) For each fiscal year after fiscal year 2000, such sums as may be necessary for such fiscal year.

Subtitle C—Cocaine Powder

SEC. ___71. SHORT TITLE.

This subtitle may be cited as the ''Powder Cocaine Sentencing Act of 1999''.

SEC. ___72. SENTENCING FOR VIOLATIONS INVOLVING COCAINE POWDER.

(a) AMENDMENT OF CONTROLLED SUBSTANCES ACT.—

(1) LARGE QUANTITIES.—Section 401(b)(1)(A)(ii) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(A)(ii)) is amended by striking ''5 kilograms'' and inserting ''500 grams''.

(2) SMALL QUANTITIES.—Section 401(b)(1)(B)(ii) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(B)(ii)) is amended by striking ''500 grams'' and inserting ''50 grams''.

(b) AMENDMENT OF CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT.—

(1) LARGE QUANTITIES.—Section 1010(b)(1)(B) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)(1)(B)) is amended by striking ''5 kilograms'' and inserting ''500 grams''.

(2) SMALL QUANTITIES.—Section 1010(b)(2)(B) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)(2)(B)) is amended by striking ''500 grams'' and inserting ''50 grams''.

(c) AMENDMENT OF SENTENCING GUIDELINES.—Pursuant to section 994 of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines to reflect the amendments made by this section.

Subtitle D—Education Matters

SEC. ___81. SAFE SCHOOLS.

(a) AMENDMENTS.—Part F of title XIV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8921 et seq.) is amended as follows:

(1) SHORT TITLE.—Section 14601(a) is amended by replacing ''Gun-Free'' with ''Safe'', and ''1994'' with ''1999''.

(2) REQUIREMENTS.—Section 14601(b)(1) is amended by inserting after ''determined'' the following: ''to be in possession of felonious quantities of an illegal drug, on school property under the jurisdiction of, or in a vehicle operated by an employee or agent of, a local educational agency in that State, or''.

(3) DEFINITIONS.—Section 14601(b)(4) is amended by replacing ''Definition'' with ''Definitions'' in the catchline, by replacing ''section'' in the matter under the catchline with ''part'', by redesignating the matter under the catchline after the comma as subparagraph (A), by replacing the period with a semicolon, and by adding new subparagraphs (B), (C), and (D) as follows:

''(B) the term 'illegal drug' means a controlled substance, as defined in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)), the possession of which is unlawful under the Act (21 U.S.C. 801 et seq.) or under the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.), but does not mean a controlled substance used pursuant to a valid prescription or as authorized by law; and

''(C) the term 'illegal drug paraphernalia' means drug paraphernalia, as defined in section 422(d) of the Controlled Substances Act (21 U.S.C. 863(d)), except that the first sentence of that section shall be applied by inserting 'or under the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.)', before the period.

''(D) the term 'felonious quantities of an illegal drug' means any quantity of an illegal drug—

''(i) possession of which quantity would, under Federal, State, or local law, either constitute a felony or indicate an intent to distribute; or

''(ii) that is possessed with an intent to distribute.''.

(4) REPORT TO STATE.—Section 14601(d)(2)(C) is amended by inserting ''illegal drugs or'' before ''weapons''.

(5) REPEALER.—Section 14601 is amended by striking subsection (f).

(6) POLICY REGARDING CRIMINAL JUSTICE SYSTEM REFERRAL.—Section 14602(a) is amended by replacing ''served by'' with ''under the jurisdiction of'', and by inserting

after ''who'' the following: ''is in possession of an illegal drug, or illegal drug paraphernalia, on school property under the jurisdiction of, or in a vehicle operated by an employee or agent of, such agency, or who''.

(7) DATA AND POLICY DISSEMINATION UNDER IDEA.—Section 14603 is amended by inserting ''current'' before ''policy'', by striking ''in effect on October 20, 1994'', by striking all the matter after ''schools'' and inserting a period thereafter, and by inserting before ''engaging'' the following: ''possessing illegal drugs, or illegal drug paraphernalia, on school property, or in vehicles operated by employees or agents of, schools or local educational agencies, or''.

(b) COMPLIANCE DATE; REPORTING.—(1) States shall have 2 years from the date of the enactment of this Act to comply with the requirements established in the amendments made by subsection (a).

(2) Not later than 3 years after the date of the enactment of this Act, the Secretary of Education shall submit to Congress a report on any State that is not in compliance with the requirements of this section.

(3) Not later than 2 years after the date of the enactment of this Act, the Secretary of Education shall submit to Congress a report analyzing the strengths and weaknesses of approaches regarding the disciplining of children with disabilities.

SEC. ___82. STUDENT SAFETY AND FAMILY SCHOOL CHOICE.

Subpart 1 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) is amended by inserting after section 1115A of such Act (20 U.S.C. 6316) the following:

''SEC. 1115B. STUDENT SAFETY AND FAMILY SCHOOL CHOICE.

''(a) IN GENERAL.—Notwithstanding any other provision of law, if a student is eligible to be served under section 1115(b), or attends a school eligible for a schoolwide program under section 1114, and becomes a victim of a violent criminal offense, including drug-related violence, while in or on the grounds of a public elementary school or secondary school that the student attends and that receives assistance under this part, then the local educational agency may use funds provided under this part or under any other Federal education program to pay the supplementary costs for such student to attend another school. The agency may use the funds to pay for the supplementary costs of such student to attend any other public or private elementary school or secondary school, including a religious school, in the same State as the school where the criminal offense occurred, that is selected by the student's parent. The State educational agency shall determine what actions constitute a violent criminal offense for purposes of this section.

''(b) SUPPLEMENTARY COSTS.—The supplementary costs referred to in subsection (a) shall not exceed—

''(1) in the case of a student for whom funds under this section are used to enable the student to attend a public elementary school or secondary school served by a local educational agency that also serves the school where the violent criminal offense occurred, the costs of supplementary educational services and activities described in section 1114(b) or 1115(c) that are provided to the student;

''(2) in the case of a student for whom funds under this section are used to enable the student to attend a public elementary school or secondary school served by a local educational agency that does not serve the school where the violent criminal offense occurred but is located in the same State—

''(A) the costs of supplementary educational services and activities described in section 1114(b) or 1115(c) that are provided to the student; and

''(B) the reasonable costs of transportation for the student to attend the school selected by the student's parent; and

''(3) in the case of a student for whom funds under this section are used to enable the student to attend a private elementary school or secondary school, including a religious school, the costs of tuition, required fees, and the reasonable costs of such transportation.

''(c) CONSTRUCTION.—Nothing in this Act or any other Federal law shall be construed to prevent a parent assisted under this section from selecting the public or private, including religious, elementary school or secondary school that a child of the parent will attend within the State.

''(d) CONSIDERATION OF ASSISTANCE.—Subject to subsection (h), assistance made available under this section that is used to pay the costs for a student to attend a private or religious school shall not be considered to be Federal aid to the school, and the Federal Government shall have no authority to influence or regulate the operations of a private or religious school as a result of assistance received under this section.

''(e) CONTINUING ELIGIBILITY.—A student assisted under this section shall remain eligible to continue receiving assistance under this section for at least 3 academic years without regard to whether the student is eligible for assistance under section 1114 or 1115(b).

''(f) TUITION CHARGES.—Assistance under this section may not be used to pay tuition or required fees at a private elementary school or secondary school in an amount that is greater than the tuition and required fees paid by students not assisted under this section at such school.

''(g) SPECIAL RULE.—Any school receiving assistance provided under this section shall comply with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and not discriminate on the basis race, color, or national origin.

''(h) ASSISTANCE; TAXES AND OTHER FEDERAL PROGRAMS.—

''(1) ASSISTANCE TO FAMILIES, NOT SCHOOLS.—Assistance provided under this section shall be considered to be aid to families, not schools. Use of such assistance at a school shall not be construed to be Federal financial aid or assistance to that school.

''(2) TAXES AND DETERMINATIONS OF ELIGIBILITY FOR OTHER FEDERAL PROGRAMS.—Assistance provided under this section to a student shall not be considered to be income of the student or the parent of such student for Federal, State, or local tax purposes or for determining eligibility for any other Federal program.

''(i) PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—Nothing in this section shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

''(j) MAXIMUM AMOUNT.—Notwithstanding any other provision of this section, the amount of assistance provided under this part for a student shall not exceed the per pupil expenditure for elementary or secondary education, as appropriate, by the local educational agency that serves the school where the criminal offense occurred for the fiscal year preceding the fiscal year for which the determination is made.''.

SEC. ___83. TRANSFER OF REVENUES.

(a) IN GENERAL.—Notwithstanding any other provision of Federal law, a State, a State educational agency, or a local educational agency may transfer any non-Federal public funds associated with the education of a student who is a victim of a violent criminal offense while in or on the grounds of a public elementary school or secondary school served by a local educational agency to another local educational agency or to a private elementary school or secondary school, including a religious school.

(b) DEFINITIONS.—For the purpose of subsection (a), the terms ''elementary school'', ''secondary school'', ''local educational agency'', and ''State educational agency'' have the meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

Subtitle E—Miscellaneous

SEC. ___91. NOTICE; CLARIFICATION.

(a) NOTICE OF ISSUANCE.—Section 3103a of title 18, United States Code, is amended by adding at the end the following new sentence: ''With respect to any issuance under this section or any other provision of law (including section 3117 and any rule), any notice required, or that may be required, to be given may be delayed pursuant to the standards, terms, and conditions set forth in section 2705, unless otherwise expressly provided by statute.''.

(b) CLARIFICATION.—(1) Section 2(e) of Public Law 95–78 (91 Stat. 320) is amended by adding at the end the following:

''Subdivision (d) of such rule, as in effect on this date, is amended by inserting 'tangible' before 'property' each place it occurs.''.

(2) The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

SEC. ___92. DOMESTIC TERRORISM ASSESSMENT AND RECOVERY.

(a) IN GENERAL.—The Federal Bureau of Investigation shall prepare a study assessing—

(1) the threat posed by the Fuerzas Armadas de Liberacion Nacional Puertorriquena (FALN) and Los Macheteros terrorist organizations to the United States and its territories as of July 31, 1999; and

(2) what effect the President's offer of clemency to 16 FALN and Los Macheteros members on August 11, 1999, and the subsequent release of 11 of those members, will have on the threat posed by those terrorist organizations to the United States and its territories.

(b) ISSUES EXAMINED.—In conducting and preparing the study under subsection (a), the Federal Bureau of Investigation shall address—

(1) the threat posed by the FALN and Los Macheteros organizations to law enforcement officers, prosecutors, defense attorneys, witnesses, and judges involved in the prosecution of members of the FALN and Los Macheteros, both in the United States and its territories;

(2) the roles played by each the 16 members offered clemency by the President on August 11, 1999, in the FALN and Los Macheteros organizations;

(3) the extent to which the FALN and Los Macheteros organizations are associated with other known terrorist organizations or countries suspected of sponsoring terrorism;

(4) the threat posed to the national security interests of the United States by the FALN and Los Macheteros organizations;

(5) whether the offer of clemency to, or release of, any of the 16 FALN or Los Macheteros members would violate, or be inconsistent with, the United States' obligations under international treaties and agreements governing terrorist activity; and

(6) the effect on law enforcement's ability to solve open cases and apprehend fugitives resulting from the offer of clemency to the 16 FALN and Los Macheteros members, without first requiring each of them to provide the government all truthful information and evidence he or she has concerning open investigations and fugitives associated with

the FALN and Los Macheteros organizations.

(c) REPORT.—Not later than 30 days after the date of the enactment of this Act, the Federal Bureau of Investigation shall submit to Congress a report on the study conducted under subsection (a).

SEC. ___93. ANTIDRUG MESSAGES ON FEDERAL GOVERNMENT INTERNET WEBSITES.

Not later than 90 days after the date of the enactment of this Act, the head of each department, agency, and establishment of the Federal Government shall, in consultation with the Director of the Office of National Drug Control Policy, place antidrug messages on appropriate Internet websites controlled by such department, agency, or establishment which messages shall, where appropriate, contain an electronic hyperlink to the Internet website, if any, of the Office.

SEC. ___94. SEVERABILITY.

Any provision of this title held to be invalid or unenforceable by its terms, or as applied to any person or circumstance, shall be construed as to give the maximum effect permitted by law, unless such provision is held to be utterly invalid or unenforceable, in which event such provision shall be severed from this title and shall not affect the applicability of the remainder of this title, or of such provision, to other persons not similarly situated or to other, dissimilar circumstances.

SEC. . SAFE SCHOOLS.

(a) AMENDMENTS.—Part F of title XIV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8921 et seq.) is amended as follows:

(1) SHORT TITLE.—Section 14601(a) is amended by replacing ''Gun-Free'' with ''Safe'', and ''1994'' with ''1999''.

(2) REQUIREMENTS.—Section 14601(b)(1) is amended by inserting after ''determined'' the following: ''to be in possession of felonious quantities of an illegal drug, on school property under the jurisdiction of, or in a vehicle operated by an employee or agent of, a local educational agency in that State, or''.

(3) DEFINITIONS.—Section 14601(b)(4) is amended by replacing ''Definition'' with ''Definitions'' in the catchline, by replacing ''section'' in the matter under the catchline with ''part'', by redesignating the matter under the catchline after the comma as subparagraph (A), by replacing the period with a semicolon, and by adding new subparagraphs (B), (C), and (D) as follows:

''(B) the term 'illegal drug' means a controlled substance, as defined in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)), the possession of which is unlawful under the Act (21 U.S.C. 801 et seq.) or under the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.), but does not mean a controlled substance used pursuant to a valid prescription or as authorized by law; and

''(C) the term 'illegal drug paraphernalia' means drug paraphernalia, as defined in section 422(d) of the Controlled Substances Act (21 U.S.C. 863(d)), except that the first sentence of that section shall be applied by inserting 'or under the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.)'. before the period.

''(D) the term 'felonious quantities of an illegal drug' means any quantity of an illegal drug—

''(i) possession of which quantity would, under Federal, State, or local law, either constitute a felony or indicate an intent to distribute; or

''(ii) that is possessed with an intent to distribute.''.

(4) REPORT TO STATE.—Section 14601(d)(2)(C) is amended by inserting ''illegal drugs or'' before ''weapons''.

(5) REPEALER.—Section 14601 is amended by striking subsection (f).

(6) POLICY REGARDING CRIMINAL JUSTICE SYSTEM REFERRAL.—Section 14602(a) is amended by replacing ''served by'' with ''under the jurisdiction of'', and by inserting after ''who'' the following: ''is in possession of an illegal drug, or illegal drug paraphernalia, on school property under the jurisdiction of, or in a vehicle operated by an employee or agent of, such agency, or who''.

(7) DATA AND POLICY DISSEMINATION UNDER IDEA.—Section 14603 is amended by inserting ''current'' before ''policy'', by striking ''in effect on October 20, 1994'', by striking all the matter after ''schools'' and inserting a period thereafter, and by inserting before ''engaging'' the following: ''possessing illegal drugs, or illegal drug paraphernalia, on school property, or in vehicles operated by employees or agents of, schools or local educational agencies, or''.

(b) COMPLIANCE DATE; REPORTING.—(1) States shall have 2 years from the date of enactment of this Act to comply with the requirements established in the amendments made by subsection (a).

(2) Not later than 3 years after the date of enactment of this Act, the Secretary of Education shall submit to Congress a report on any State that is not in compliance with the requirements of this part.

(3) Not later than 2 years after the date of enactment of this Act, the Secretary of Education shall submit to Congress a report analyzing the strengths and weaknesses of approaches regarding the disciplining of children with disabilities.

SEC STUDENT SAFETY AND FAMILY SCHOOL CHOICE.

(a) IN GENERAL.—Subpart 1 of part A of title I of the Elementary and Secondary Education of 1965 (20 U.S.C. 6311 et seq.) is amended by inserting after section 1115A of such Act (20 U.S.C. 6316) the following:

''SEC. 1115B. STUDENT SAFETY AND FAMILY SCHOOL CHOICE.

''(A) IN GENERAL.—Notwithstanding any other provision of law. if a student is eligible to be served under section 1115(b), or attends a school eligible for a schoolwide program under section 1114, and becomes a victim of a violent criminal offense, including drug-related violence, while in or on the grounds of a public elementary school or secondary school that the student attends and that receives assistance under this part, then the local educational agency may use funds provided under this part or under any other Federal education program to pay the supplementary costs for such student to attend another school. The agency may use the funds to pay for the supplementary costs of such student to attend any other public or private elementary school or secondary school, including a religious school. In the same State as the school where the criminal offense occurred, that is selected by the students parent. The State educational agency shall determine what actions constitute a violent criminal offense for purposes of this section.

(b) SUPPLEMENTARY COSTS.—The supplementary costs referred to in subsection (a) shall not exceed—

''(1) in the case of a student for whom funds under this section are used to enable the student to attend a public elementary school or secondary school served by a local educational agency that also serves the school where the violent criminal offense occurred, the costs of supplementary educational services and activities described in section 1114(b) or 1115(c) that are provided to the student;

''(2) in the case of a student for whom funds under this section are used to enable the student to attend a public elementary school or secondary school served by a local educational agency that does not serve the school where the violent criminal offense occurred but is located in the same State—

''(A) the costs of supplementary educational services and activities described in section 1114(b) or 1115(c) that are provided to the student; and

''(B) the reasonable costs of transportation for the student to attend the school selected by the student's parent; and

''(3) in the case of a student for whom funds under this section are used to enable the student to attend a private elementary school or secondary school, including a religious school, the costs of tuition, required fees, and the reasonable costs of such transportation.

''(c) CONSTRUCTION.—Nothing in this Act or any other Federal law shall be construed to prevent a parent assisted under this section from selecting the public or private, including religious, elementary school or secondary school that a child of the parent will attend within the State.

''(d) CONSIDERATION OF ASSISTANCE.—Subject to subsection (h), assistance made available under this section that is used to pay the costs for a student to attend a private or religious school shall not be considered to be Federal aid to the school, and the Federal Government shall have no authority to influence or regulate the operations of a private or religious school as a result of assistance received under this section.

''(e) CONTINUING ELIGIBILITY.—A student assisted under this section shall remain eligible to continue receiving assistance under this section for at least 3 academic years without regard to whether the student is eligible for assistance under section 1114 or 1115(b).

''(f) TUITION CHARGES.—Assistance under this section may not be used to pay tuition or required fees at a private elementary school or secondary school in an amount that is greater than the tuition and required fees paid by students not assisted under this section at such school.

''(g) SPECIAL RULE.—Any school receiving assistance provided under this section shall comply with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and not discriminate on the basis of race, color, or national origin.

''(h) ASSISTANCE: TAXES AND OTHER FEDERAL PROGRAMS.—

''(1) ASSISTANCE TO FAMILIES, NOT SCHOOLS.—Assistance provided under this section shall be considered to be aid to families, not schools. Use of such assistance at a school shall not be construed to be Federal financial aid or assistance to that school.

''(2) TAXES AND DETERMINATIONS OF ELIGIBILITY FOR OTHER FEDERAL PROGRAMS.—Assistance provided under this section to a student shall not be considered to be income of the student or the parent of such student for Federal, State, or local tax purposes or for determining eligibility for any other Federal program.

''(i) PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—Nothing in this section shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

''(j) MAXIMUM AMOUNT.—Notwithstanding any other provision of this section, the amount of assistance provided under this part for a student shall not exceed the per pupil expenditure for elementary or secondary education, as appropriate, by the local educational agency that serves the school where the criminal offense occurred for the fiscal year preceding the fiscal year for which the determination is made.''.

SEC. . TRANSFER OF REVENUES.

(a) IN GENERAL.—Notwithstanding any other provision of Federal law, a State, a State educational agency, or a local educational agency may transfer any non-Federal public funds associated with the education of a student who is a victim of a violent criminal offense while in or on the grounds of a public elementary school or secondary school served by a local educational agency to another local educational agency or to a private elementary school or secondary school, including a religious school

(b) DEFINITIONS.—For the purpose of subsection (a), the terms ''elementary school'', ''secondary school'', ''local educational agency'', and ''State educational agency'' have the meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

SEC. . INCREASED PENALTIES FOR DISTRIBUTING DRUGS TO MINORS.

Section 418 of the Controlled Substances Act (21 U.S.C. 859) is amended—

(1) in subsection (a), by striking ''one year'' and inserting ''3 years''; and

(2) in subsection (b), by striking ''one year'' and inserting ''5 years.''

SEC. . INCREASED PENALTY FOR DRUG TRAFFICKING IN OR NEAR A SCHOOL OR OTHER PROTECTED LOCATION.

Section 419 of the Controlled Substances Act (21 U.S.C. 860) is amended—

(1) in subsection (a), by striking ''one year'' and inserting ''3 years''; and

(2) in subsection (b), by striking ''three years'' each place that term appears and inserting ''5 years''.

LEVIN AMENDMENT NO. 2772

(Ordered to lie on the table.)

Mr. LEVIN submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

The Federal Trade Commission shall report to the Banking Committee of Congress within 6 months of enactment of this act as to whether and how the location of the resident of an applicant for a credit card is considered by financial institutions in deciding whether an applicant should be granted such credit card.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. SESSIONS. Mr. President, I ask unanimous consent that the committee on Banking, Housing and Urban Affairs be authorized to meet during the session of the Senate on Friday, November 5, 1999, to conduct a hearing on pending nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, November 5, 1999, at 11 a.m. and 1 p.m. to hold two hearings.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Friday, November 5, 1999, at 11:30 a.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

RECOGNITION OF DAVID POFFENBERGER, STUDENT AT PUYALLUP HIGH SCHOOL

• Mr. GORTON. Mr. President, during the past several weeks, a community in my state has come together to combat racism in their schools. One person, a student at Puyallup High School, has taken this problem head on and devised a way to bring his fellow students together in their fight against racism.

This student, David Poffenberger, an 18-year-old senior, designed a t-shirt that will be distributed to all of his 1,900 classmates in order to demonstrate Puyallup High School's united front against racism.

In one of his art classes, David created a design for the shirt—two silhouetted groups, one black and one white, united by a single handshake. David completed the shirt by adding the phrase, ''Bridge the Gap.'' With the encouragement from one of his art teachers, Candace Loring, David took a week off from swimming practice and visited with local community groups to turn his plan into reality.

The high school Booster Club, alumni association, the Puyallup Elks, and the Good Samaritan Hospital all contributed to his effort, raising over half of the $5,128 needed to print and distribute the shirts. The Booster Club has also agreed to cover the remaining amount in addition to their own $1,000 contribution.

David's principal, Wanda Berndston, credits him for single-handedly spearheading this effort to improve awareness throughout the school. In the midst of an unfortunate situation, it is often the individuals who are closest to the problem who can best offer solutions.

I commend David for his determination to make his school a better place for all students and am proud to present him with one of my ''Innovation in Education'' Awards.•

EXTENDED CARE SERVICES FOR VETERANS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Veterans' Affairs Committee be discharged from further consideration of H.R. 2116, and the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2116) to amend title 38, United States Code, to establish a program of extended care services for veterans and make other improvements in health care programs in the Department of Veterans Affairs.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 2541

(Purpose: To provide a substitute)

Mr. DOMENICI. Senator SPECTER has a substitute amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI), for Mr. SPECTER, proposes an amendment numbered 2541.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. DOMENICI. I ask unanimous consent that the amendment be agreed to, the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

I further ask unanimous consent that the Senate insist on its amendments, request a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2541) was agreed to.

The bill (H.R. 2116), as amended, was read the third time and passed.

The title was amended so as to read: ''An Act To amend title 38, United States Code, to enhance programs providing health care, education, memorial, and other benefits for veterans, to authorize major medical facility projects for the Department of Veterans Affairs, and for other purposes.''.

The PRESIDING OFFICER (Mr. GORTON) appointed Mr. SPECTER, Mr. THURMOND, and Mr. ROCKEFELLER conferees on the part of the Senate.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT OF 1999

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate now proceed to consideration of Calendar No. 208, H.R. 1654.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1654) to authorize appropriations for the National Aeronautics and Space Administration for fiscal years 2000, 2001, and 2002, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 2542

(Purpose: To authorize appropriations for the National Aeronautics and Space Administration for fiscal years 2000, 2001, and 2002, and for other purposes)

Mr. DOMENICI. Mr. President, Senator FRIST has a substitute amendment at the desk.

The PRESIDING OFFICER. The clerk will report.